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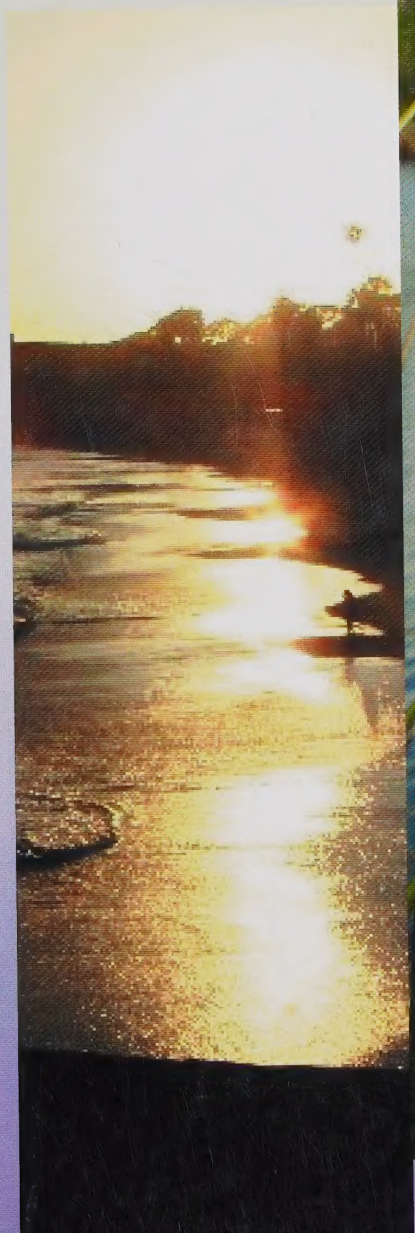

KIM BINFIELD

DENNIS SCHREIBER

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2006

CITY OF
VENTURA
CALIFORNIA

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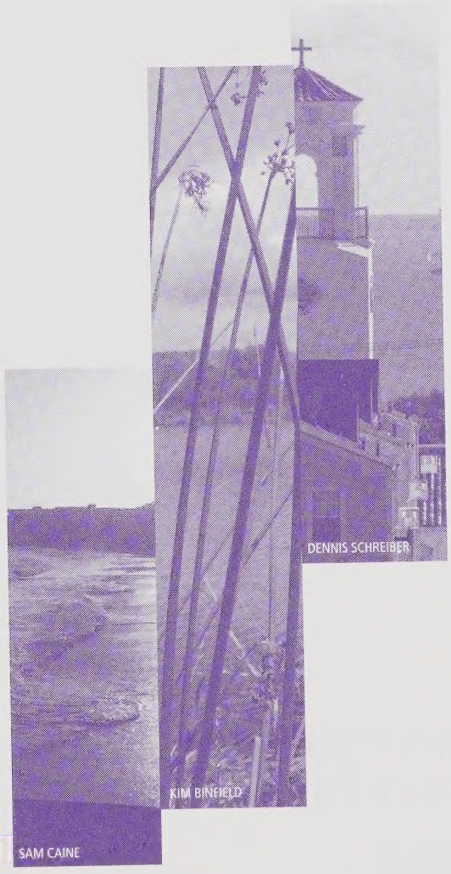
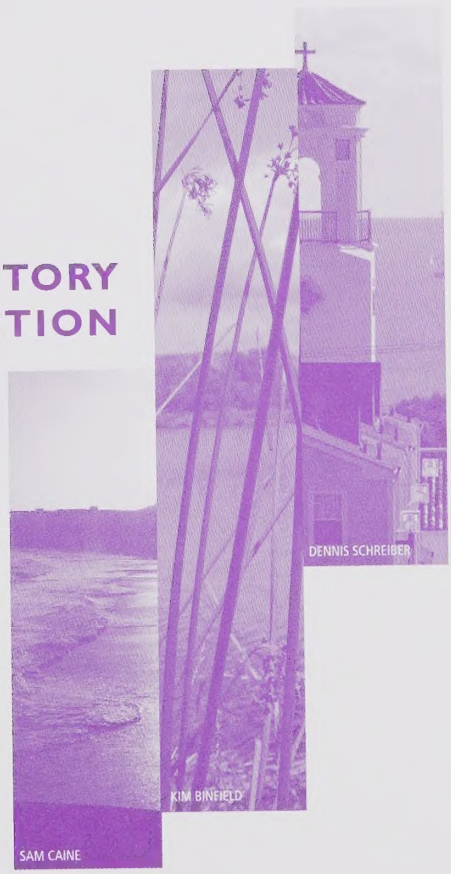


COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2006

Jay Panzica, Chief Financial Officer
City of San Buenaventura, California

INTRODUCTORY SECTION



INTRODUCTORY SECTION

City of San Buenaventura
Comprehensive Annual Financial Report
For the year ended June 30, 2006

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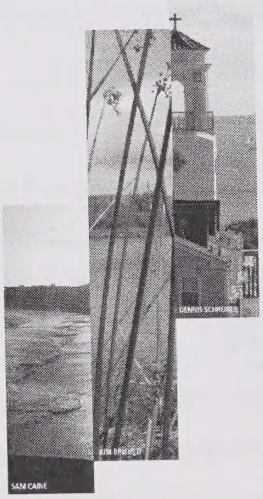

COMPREHENSIVE
ANNUAL

FINANCIAL REPORT

CITY OF VENTURA

December 1, 2006

Honorable Mayor and City Councilmembers, and the Citizens of the City of San Buenaventura:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This Comprehensive Annual Financial Report (CAFR) is published to fulfill that requirement for the fiscal year ended June 30, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Moreland & Associates, Inc., has issued an unqualified ("clean") opinion on the City's financial statements for the year ended June 30, 2006. The independent auditor's report is located at the front of the financial section of this report.

The Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of San Buenaventura, generally referred to as the City of Ventura, is located on the southern California coastline, approximately 62 miles northwest of the City of Los Angeles and 364 miles south of the City of San Francisco. The city limits cover approximately 36 square miles.

The City was incorporated in 1866 and has been the County seat since 1873. The City is a charter city with a council-manager form of government. A seven-member City Council is elected at large for four-year alternating terms at elections held every two years. The Mayor of the City is the presiding officer of the City Council and is selected by the City Council from its members to serve a two-year term. The City Manager, appointed by the City Council for an indeterminate term, acts as chief executive officer in carrying out the policies of the City Council.

The City's first charter was adopted in 1932. The present charter was adopted by election on November 6, 1973, and approved by the California legislature in January 1974 and was amended on December 4, 1986. The City has approximately 661 full time employee positions authorized in the fiscal year 2005-06 budget. City services include police and fire protection, public works, community development, community recreational services, and water/wastewater services.

501 Poli Street • P. O. Box 99 • Ventura, California 93002-0099 • 805.654.7800 • cityofventura.net

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The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, department, and division. City department heads may make transfers within their department. All transfers between departments require approval of the City Council.

Local economy

The City's ongoing commitment to an economic development strategy continues to achieve results with an emphasis on generating both private and public sector value, both of which build community stability and wealth. The City's revenue base is a blend of business and commercial, light and heavy industrial, and residential uses. The City's economy revolves chiefly around the County government facilities, financial services, retail operations, and a well-developed food processing industry. Government services employ over 22,000 workers, providing relative stability to the City's employment base.

The University of California Santa Barbara (UCSB) Economic Forecast Project recently published a study on the City's economic outlook. The study indicates that the San Buenaventura metro area economy continues to grow. The economy's growth is projected to be at 2.8 percent during 2007.

The City's job growth will be slow but remain positive. The projection for 2007 is 1.7 percent. Sectors that will continue to grow in 2006 and 2007 are: services, retail trade, and finance/insurance/real estate. Salary growth is expected to be positive but low. The projection for 2006 is 2.2 percent.

For 2006, unemployment in the City was at 4.4 percent. The annual average 2006 countywide unemployment rate was 4.0 percent. The countywide rate is below the California average of 4.2 percent.

City of Ventura retail sales growth in 2005 was 3.6 percent. The projected growth in retail sales is 3.2 percent for 2006 and 2.6 percent for 2007, which represents a gradual decline in the *growth* of retail sales.

Median home price increases in both the City and County will eventually slow. The 2005 median home price in the City was $558,900. Demand for housing comes from both local and external sources; internally from natural population growth and externally from Santa Barbara workers who find Santa Barbara unaffordable, and Los Angeles County workers who desire to live in upscale East Ventura County. City real median home prices increased 7.6 percent in 2005. These prices are projected to continue to rise in 2006 and 2007, but at slower rates. The projected increase in median home prices for 2006 is 6.8 percent.

The 2005 residential vacancy rate is 3.2 percent for both owner and rental units. Over two-thirds of the City's housing was built in the last 35 years with the remaining one-third built before 1960. Many of the older neighborhoods have homes in the Victorian, California Craftsman, and Mission Revival architectural styles, with unique characteristics fostering reinvestment and revitalization. The City continues to actively pursue strategies to enhance established neighborhoods and renovate the housing stock.

The level of taxes, fees, and charges for services (including development-related mitigation fees) will have a bearing on the City's competitive ability to encourage retail, office, residential, and industrial development to locate within the jurisdiction. The City places significant emphasis on encouraging economic development with higher paying jobs.

In addition to community-related economics, i.e., business, employment, and real estate indices, the City's finances and operations are directly impacted by national and regional economic trends. The return on interest earnings was 3.3 percent for the fiscal year ended June 30, 2006.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2005. The following is the suggested language published by the GFOA:

"The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must have published an easily readable and efficiently organized CAFR, whose contents conform to program standards. The Comprehensive Annual Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements."

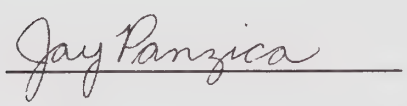
In addition, the California Society of Municipal Finance Officers (CSMFO) presented the City with a Certificate of Award for Outstanding Financial Reporting for its CAFR for the fiscal year ended June 30, 2005. The report must meet requirements outlined in the CSMFO Awards Checklist, satisfying generally accepted accounting principles in all material respects, complying with generally accepted auditing standards, and including certain statistical information.

The Certificate of Achievement and Certificate of Award are valid for a period of one year only. We believe our current report continues to conform to program requirements and will be submitted to the GFOA. CSMFO changed its policy and only issues certificates to first time applicants.

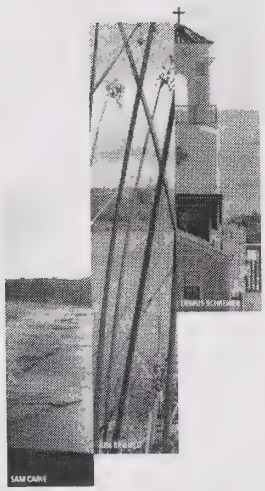
I would like to thank the management and staff of the Finance and Technology Department for their contributions to the preparation of this year's CAFR in accordance with the GASB 34 and 44 financial reporting models. In addition, I would like to thank the staff of Moreland & Associates, Inc., the City's independent auditors, for their proactive assistance and advice. The City Manager is to be commended for his interest in the Finance and Technology Department's progress in building the City's financial systems to support daily operations and allow for new opportunities.

The CAFR is available in the City Council's reading file.

Respectfully submitted,



Jay Panzica
Chief Financial Officer



COMPREHENSIVE
ANNUAL

FINANCIAL REPORT

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Buenaventura
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 2004-05

Presented to the

City of San Buenaventura

This certificate is issued in recognition of meeting professional standards and criteria in reporting which reflect a high level of quality in the annual financial statements and in the underlying accounting system from which the reports were prepared.

February 24, 2006

William G. Thomas

Bill Thomas, Chair
Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

COMPREHENSIVE
ANNUAL

FINANCIAL REPORT

DIRECTORY OF CITY OFFICIALS

June 30, 2006

Carl E. Morehouse, AICP
Mayor

Christy Weir
Deputy Mayor

Bill Fulton
Councilmember

Neal Andrews
Councilmember

James L. Monahan
Councilmember

Brian Brennan
Councilmember

Edward W. Summers
Councilmember

CITY OF
VENTURA
CALIFORNIA

Rick Cole
City Manager

Mabi Plisky
City Clerk

Jay Panzica
Chief Financial Officer

Mike Lavery
Fire Chief

Nelson Hernandez
Community Development Director

Pat Miller
Police Chief

Elena M. Brokaw
Community Services Director

Ronald Calkins
Public Works Director

Jenny Roney
Human Resources Director

Robert Boehm
City Attorney

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

ORGANIZATIONAL STRUCTURE

June 30, 2006

City Council
- Boards & Commissions
- Housing Authority
- Port Authority
- Redevelopment Agency

City Attorney

City Manager
- Administration
- City Clerk
- Civic Engagement

Community Development Department
- Administration
- Planning
- Economic Development & Revitalization
- Land Development

Community Services Department
- Administration
- Community Recreation
- Cultural Affairs
- Golf Services/ Adult Sports
- City Information
- Social Services

Fire Department
- Administration
- Construction Services
- Inspection Services
- Paramedic Services
- Preservation Services
- Suppression

Human Resources Department
- Administration
- Employment Services
- Employee Benefits Administration
- Risk Management
- Employee & Labor Relations/ Payroll

Finance & Technology
- Administration
- Financial Planning & Analysis
- Information Technology
- Purchasing & Contracts
- Treasury

Police Department
- Administration
- Field
- Operations
- Services
- Professional Standards

Public Works Department
- Administration
- Engineering
- Maintenance Services
- Parks
- Utilities

FINANCIAL SECTION

FINANCIAL SECTION

Moreland & Associates, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

1201 DOVE STREET, SUITE 680
NEWPORT BEACH, CALIFORNIA 92660
(949) 221-0025

570 RANCHEROS DRIVE, SUITE 260
SAN MARCOS, CA 92069
(760) 752-3390

September 22, 2006

The Honorable City Council of
the City of San Buenaventura, California

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Buenaventura, California, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of San Buenaventura's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Buenaventura, California, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2006 on our consideration of the City of San Buenaventura internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and other required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, the major fund budgetary comparison schedules and the combining and individual nonmajor fund financial statements and schedules listed as supplementary information in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund budgetary comparison schedules and the combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Moreland + Associates, Inc.

MANAGEMENT'S DISCUSSION & ANALYSIS

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF SAN BUENAVENTURA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

As management of the City of San Buenaventura (City), we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter, which can be found on pages iv-vi of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

Government-Wide

- The net assets of the City exceeded the liabilities at the close of fiscal year 2005-06 by $379.2 million. Of this amount, $106.5 million may be used to meet the City's ongoing general fund, grant funds, capital project funds, and business-type activity obligations to citizens and creditors.

- The City's total net assets, including all funds, increased by $21.7 million compared to last fiscal year.

- The City's total net long-term liabilities increased by $7.7 million or 6.3 percent during fiscal year 2005-06.

Fund Basis

- The General Fund reported a decrease of $1.1 million in fund balance because total revenues and transfers in (inflows) of $84.3 million were less than total expenditures and transfers out (outflows) of $85.4 million.

- As of June 30, 2006, the unreserved fund balance for the General Fund was $28.7 million. This balance includes designated General Fund emergency reserves of $12 million as designated by the City's Financial Policies and the balance of $12.7 million for operating purposes and $4.0 million of undesignated reserves. Additional information on the City's General Fund balances is located in note 10A on page 68 of this report.

- As of June 30, 2006, the City's other governmental funds, excluding the General Fund, reported combined ending fund balances of $23.5 million of net unreserved fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as, revenues pertaining to uncollected taxes, or expenses pertaining to earned, but unused, vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities),* from other functions that are intended to recover all or a significant portion of the costs through user fees and charges *(business-type activities).* The governmental activities of the City include those related to legislative and legal, general government, administrative, human resource management, community development, community and cultural services, public safety (police and fire), and public works. Business-type activities of the City include those related to water, sewer and sanitation (wastewater), golf course management operations, and paramedic services.

The government-wide financial statements include not only the City of San Buenaventura (known as the *primary government),* but also a legally separate Public Facilities Financing Authority, of which the City of San Buenaventura is the only shareholder having the authority to affect the "company". Financial information for this component unit is reported separately from financial information presented for the primary government itself.

The government-wide financial statements are located on pages 16-18 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City, as other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds may be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Since the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing this comparison, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains several individual governmental funds and information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the following: the General Fund, Gas Tax Fund, Park and Recreation Special Revenue Fund, Certificates of Participation Debt Obligation Debt Service Fund, CIP General Capital Projects Fund, and Redevelopment Agency Capital Projects Fund. Each of these funds is considered a major fund. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements,* located in the supplementary information section of this report.

The City adopts an annual appropriated budget for its funds. A budgetary comparison is provided for the City's General Fund, Gas Tax Fund, and Parks and Recreation Special Revenue Funds to demonstrate compliance with this budget.

Proprietary funds - The City maintains two different types of proprietary funds: *Enterprise and Internal Service.*

- ***Enterprise funds*** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer and Sanitation (Wastewater), Golf Course Operations, and Paramedic Services, all of which are classified as major funds.

  The basic proprietary fund financial statements are located on pages 25-30 of this report.

- ***Internal Service funds*** are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of San Buenaventura uses internal service funds to account for computer replacement, equipment services, building maintenance, reproduction services, workers' compensation, employee fringe benefits, and risk management.

  Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary information section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the accompanying government-wide financial statements since the resources of those funds are *not* available to support the City's programs. The accounting system used for the fiduciary funds is similar to what is used for the proprietary funds. The fiduciary fund financial statements are located in the basic financial statements section – page 31 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located on pages 34-72 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding the obligation to provide pension benefits to City employees. Required supplementary information is located on pages 73-77 of this report.

The combining statements, referred to earlier in connection with non-major governmental funds and internal service funds, are presented immediately following the required supplementary information on pensions. Combining and individual fund statements are located on pages 78-81 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $379.2 million at the close of the most recent fiscal year.

Capital assets are the largest portion of the City's net assets (78.7 percent), which reflects the net investment of $298 million (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens and consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets alone may not be used to liquidate these liabilities.

CITY OF SAN BUENAVENTURA-Net Assets
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets:						
Current and Other Assets	$ 144,827	$ 145,290	$ 100,396	$ 97,198	$ 245,223	$ 242,488
Capital Assets	123,654	116,064	174,690	152,834	298,344	268,898
Total Assets	268,481	261,354	275,086	250,032	543,567	511,386
Liabilities:						
Current Liabilities	27,939	26,652	6,047	4,552	33,986	31,204
Long-Term Liabilities	68,829	73,209	61,551	49,462	130,380	122,671
Total Liabilities	96,768	99,861	67,598	54,014	164,366	153,875
Net Assets:						
Invested In Capital Assets, Net of related Debt	61,244	50,802	111,965	102,241	173,209	153,043
Restricted	37,975	42,285	61,528	67,471	99,503	109,756
Unrestricted	72,494	68,406	33,995	26,306	106,489	94,712
Total Net Assets	$ 171,713	$ 161,493	$ 207,488	$ 196,018	$ 379,201	$ 357,511

The *unrestricted net assets* in all City funds are $106.5 million and may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2006, the City was able to report positive balances in all three categories of net assets, for the government as a whole and for business-type activities. The same situation held true for the prior fiscal year.

The City's net assets increased $21.7 million during the fiscal year concluded June 30, 2006. This increase was due to operations in the governmental and business-type funds. Last fiscal year, net assets grew by $15.6 million.

CITY OF SAN BUENAVENTURA - Changes In Net Assets
(In Thousands)

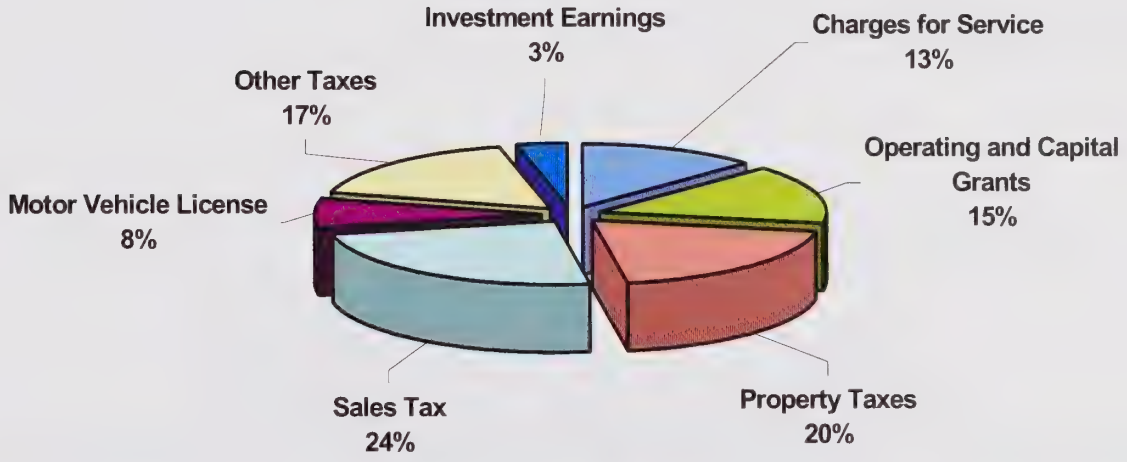
	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues						
Charges for Services	$ 12,998	$ 12,574	$ 35,635	$ 34,771	$ 48,633	$ 47,345
Operating Grants	13,773	12,863	-	-	13,773	12,863
Capital Grants	1,445	2,278	-	-	1,445	2,278
General Revenue						
Taxes						
Property	20,216	18,801	-	-	20,216	18,801
Sales	24,448	21,414	-	-	24,448	21,414
Motor Vehicle License	7,698	7,909	-	-	7,698	7,909
Other	17,557	16,107	-	-	17,557	16,107
Investment Earnings	2,568	2,331	2,182	1,217	4,750	3,548
Other	976	164	-	-	976	164
Total Revenues	$ 101,679	$ 94,441	$ 37,817	$ 35,988	$ 139,496	$ 130,429
Expenses:						
General Government	$ 7,363	$ 6,328	$ -	$ -	$ 7,363	$ 6,328
Human Resources	1,794	2,432	-	-	1,794	2,432
Administrative Services	4,215	4,406	-	-	4,215	4,406
Community Development	5,843	4,195	-	-	5,843	4,195
Community Services	5,914	7,671	-	-	5,914	7,671
Public Safety - Police	26,150	24,818	-	-	26,150	24,818
Public Safety - Fire	15,260	15,091	-	-	15,260	15,091
Public Works	16,524	17,315	-	-	16,524	17,315
Interest on Long Term Debt	4,349	4,143	-	-	4,349	4,143
Sewer and Sanitation	-	-	11,349	11,088	11,349	11,088
Water	-	-	15,400	14,910	15,400	14,910
Golf Course Operations	-	-	3,380	2,197	3,380	2,197
Paramedic Services	-	-	266	186	266	186
Total Expenses	$ 87,412	$ 86,399	$ 30,395	$ 28,381	$ 117,807	$ 114,780
Increase (Decrease) In Net Assets before Transfers:	$ 14,267	$ 8,042	$ 7,422	$ 7,607	$ 21,689	$ 15,649
Transfers	(4,047)	(4,703)	4,048	4,703	-	-
Increase In Net Assets	$ 10,220	$ 3,339	$ 11,470	$ 12,310	$ 21,689	$ 15,649
Net Assets - Beginning	161,493	158,154	196,018	183,708	357,511	341,862
Net Assets - Ending	$ 171,713	$ 161,493	$ 207,488	$ 196,018	$ 379,200	$ 357,511

Governmental Activities

Public Safety/Police is the largest department at 29.9 percent of total governmental expense, followed by Public Works – 18.9 percent, Public Safety/Fire – 17.5 percent, Community Services – 6.8 percent, General Government – 8.4 percent, Administrative Services – 4.8 percent, Community Development – 6.7 percent, Interest on Long Term Debt – 4.9 percent and Human Resources – 2.1 percent.

The governmental activities' chart below illustrates operating revenues by source.

Revenues by Source - Governmental Activities ($101.7 Million)



Sales, property, motor vehicle license, and other taxes are general revenues used to support overall government functions. These sources account for $69.9 million or 69 percent of total governmental revenue. Operating and capital grants make up 15 percent and charges for services amount to 13 percent.

The City's net assets for governmental activities reflected an increase of approximately $10.2 million. Some key factors include the following:

- Investment earnings increased approximately $300,000.
- Sales, property, and other tax revenues increased approximately $5.7 million from the previous year.
- Remaining revenues increased approximately $1.5 million from the previous year.
- Expenditures decreased approximately $1 million from the previous year.

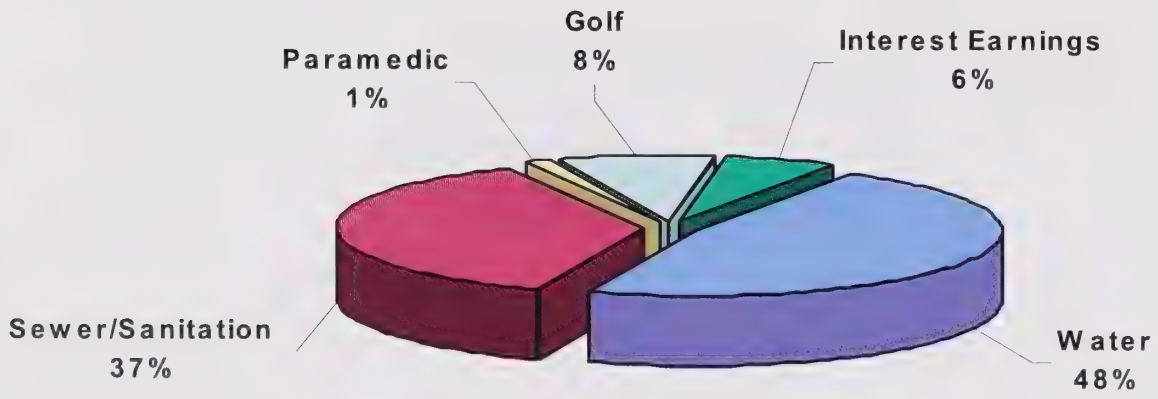
Business-Type Activities

The business-type chart below shows revenues by source. The City's Water Enterprise is the largest business-type operation, followed by Sewer & Sanitation (Wastewater), with fees for services mainly funding the two utilities.

Business-type activities increased the City's overall net assets by $11.0 million. Key elements of this increase are:

- An increase in operations in the Water, Sewer & Sanitation (Wastewater) and Golf Funds.
- The other enterprise fund, Paramedic Services, reflected minimal changes in its operations.

Revenues by Source - Business-Type Activities ($37.8 Million)



GOVERNMENT FUNDS FINANCIAL ANALYSIS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2006, the City's governmental funds reported a combined ending fund balance of $91 million, a decrease of $6 million in comparison with the prior year. The decrease was mainly due to capital projects and debt payments. Of the total fund balance of $91 million, $52.2 million is the net unreserved fund balance.

The following are the major funds the City considered important to financial statement users.

General Fund

The General Fund is the City's chief operating fund. At June 30, 2006, the unreserved fund balance of the General Fund was $28.7 million, while total fund balance reached $47.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures. Unreserved fund balance represents 36.3 percent of total general fund actual expenditures, excluding transfers, while total fund balance represents 60.2 percent of that same amount.

Gas Tax Special Revenue

The Gas Tax Special Revenue Fund showed an increase of $633,789 in fund balance for fiscal year 2006. This increase was mainly due to State payments of Traffic Congestion Relief and new River Park traffic mitigation revenue.

Park and Recreation Special Revenue Fund

The Park and Recreation Special Revenue Fund experienced a decrease of $341,929 in fund balance for fiscal year 2006. This decrease was due mainly to expenditures in completion of Ventura Community Park.

Certificates of Participation debt Obligation Debt Service

This fund experienced a decrease of $7,134,216 in fund balance for fiscal year 2006. This decrease is mainly due to the transfer of funds to Golf for the renovation of Olivas Park Golf Course.

CIP General Capital Projects

The CIP General Capital Projects Fund showed an increase of $1,723,665 in fund balance for fiscal year 2006. This increase was due mainly to transfer of funds from the General Fund to finance future projects.

Redevelopment Agency Capital Projects

The Redevelopment Agency Capital Projects Fund experienced a decrease of $547,868 in fund balance for fiscal year 2006. This decrease is due mainly to interest expenditure on the line of credit and the Downtown Housing Improvement Project.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net assets of the Water Operations, Sewer & Sanitation (Wastewater), Golf Operations, and Paramedic Services Funds were $103.2 million, $85.2 million, $18.1 million, and $515,284, respectively. The total growth in net assets for the four funds was $2.8 million, $3.2 million, $4.8 million, and $190,597, respectively. Other factors concerning the finances of these funds are addressed in the discussion of the City's business-type activities.

Internal Service Funds

The internal service funds, which are used to finance and account for goods and services provided internally among City departments, were in a positive position at the close of the fiscal year.

Fiduciary Funds

The City maintains fiduciary funds for the assets of the Portobello Assessment District Fund in which the net assets are $94,722.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, there was an $8.2 million increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- $4.4 million appropriations for services and supplies
- $1.8 million appropriations for infrastructure Capital Improvement Projects
- $1.4 million appropriations for Police and Fire Headquarters generator

The increase was possible because of additional revenues and expenditure savings. Following are the main components:

Revenues

- $1 million increase in vehicle license fees
- $1 million increase in interest earnings

Expenditure Savings

- $1.8 million in savings from Professional Service Contracts
- $2.2 million in savings from delays in projects and position vacancies

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2006, amounts to $298.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and related systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- Capital expenditures totaling $1.0 million were used in the Ventura Community Park Project.
- Capital expenditures totaling $5.4 million were used in the remodeling of Olivas Park Golf Course.
- Capital expenditures totaling $1.2 million were used for the Terra Cotta Restoration Project.
- Capital expenditures totaling $4.6 million were used for City Street Maintenance Projects.

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	$ 12,322	$ 12,322	$ 393	$ 393	$ 12,715	$ 12,715
Buildings & improvements	51,779	44,565	49,196	28,927	100,975	73,492
Improvements other than buildings	15,970	10,580	65,136	49,210	81,106	59,790
Machinery and equipment	28,687	21,867	63,970	56,926	92,657	78,793
Infrastructure	79,855	70,366	-	-	79,855	70,366
Construction in progress	34,030	53,000	59,454	78,312	93,484	131,312
Total	$ 222,643	$ 212,700	$238,149	$213,768	$ 460,792	$ 426,468

Additional information on the City's capital assets is located in note 6 to the basic financial statements on pages 54-57 of this report.

Long-Term Debt

At the end of the current fiscal year, the City had total net long-term outstanding obligations of $137.5 million. Of this amount, $62.7 million relates to revenue bonds, certificates of participation, capital leases, and other obligations of the City's business enterprises. The balance relates to revenue bonds, tax allocation bonds, notes payable, capital leases, self-insurance, and employee benefit obligations for the City's governmental activities.

CITY OF SAN BUENAVENTURA-Outstanding Debt
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Governmental Long Term Debt	$ 74,820	$ 79,161	$ -	$ -	$ 74,820	$ 79,161
Revenue Bonds, Net	-	-	62,726	50,592	62,726	50,592
Total	$ 74,820	$ 79,161	$ 62,726	$ 50,592	$ 137,546	$ 129,753

The City's total debt increased by $7.8 million during the current fiscal year.

The City Charter states that the City shall not incur an indebtedness evidenced by general obligation bonds not greater than 15 percent of the total assessed valuation of all real and personal property within the City. The level of debt is significantly below Charter requirements.

Additional information on the City of San Buenaventura's long-term debt is located in note 8 on pages 57-66 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

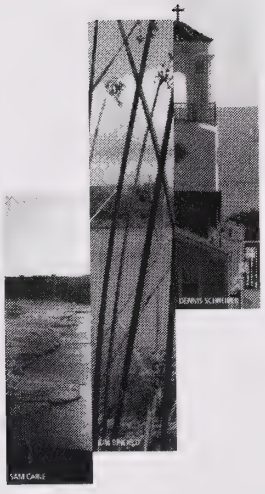
The economy was one of the main issues affecting the development of the fiscal year 2006-07 budget. California's economic growth exceeded the United States growth and Ventura County's economy grew a real 4.2 percent in 2005. Another good economic year is forecast for California and Ventura County. The City has benefited from the economic upturn in 2005 and the forecast for economic growth will affect the City's finances in 2006-07 and beyond.

The fiscal year 2006-07, the General Fund operating budget increased $600,000. This was mainly due to an increase in Unreserved Designated Contingencies.

Charges for services and rates in general have increased to meet utility operating and maintenance expenses. Both the Water and Sewer & Sanitation (Wastewater) rates increased for the 2007 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of San Buenaventura's finances for all those with an interest in the government's finances. Questions concerning any of the information contained herein should be addressed to Jay Panzica, Chief Financial Officer, P.O. Box 99 - Room 101, Ventura, California 93002-0099, (805) 654-7812, or via E-mail at jpanzica@ci.ventura.ca.us.



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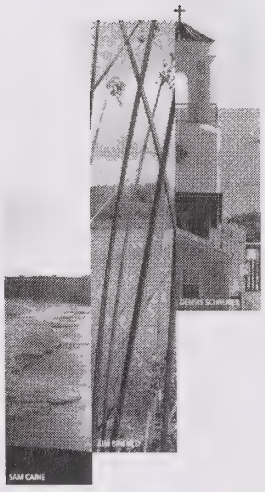
GOVERNMENT-WIDE FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of San Buenaventura
Statement of Net Assets
June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 109,655,985	$ 33,166,089	$ 142,822,074
Investment in bonds	1,095,000	-	1,095,000
Accounts receivable, net	234,741	5,459,633	5,694,374
Interest receivable	1,382,520	-	1,382,520
Due from others	1,939,407	214,797	2,154,204
Due from other governments	9,572,740	5,672,038	15,244,778
Internal balances	(1,254,604)	1,254,604	-
Prepaid items	11,670	450	12,120
Inventory	530,546	-	530,546
Loans and notes receivable	4,282,193	-	4,282,193
Land and buildings held for resale	2,500,887	-	2,500,887
Total current assets	129,951,085	45,767,611	175,718,696
Noncurrent assets:			
Restricted cash and investments	11,377,656	31,469,611	42,847,267
Deferred charges	-	1,253,604	1,253,604
Water rights	-	1,221,838	1,221,838
State water line construction project	-	20,682,372	20,682,372
Equity interest in SCAT	3,498,416	-	3,498,416
Capital assets			
Non-depreciable	46,352,139	59,847,775	106,199,914
Depreciable, net	77,301,588	114,843,144	192,144,732
Total capital assets	123,653,727	174,690,919	298,344,646
Total noncurrent assets	138,529,799	229,318,344	367,848,143
Total assets	268,480,884	275,085,955	543,566,839
LIABILITIES			
Current liabilities:			
Accounts payable	2,809,304	1,349,607	4,158,911
Contracts payable	1,419,380	1,838,393	3,257,773
Accrued payroll liabilities	2,421,223	-	2,421,223
Interest payable	1,240,619	657,744	1,898,363
Due to other governments	2,004,942	276,465	2,281,407
Deposits held for others	11,318,881	750,295	12,069,176
Unearned revenue	733,115	-	733,115
Claims and judgments payable	2,613,366	-	2,613,366
Compensated absences payable	482,045	-	482,045
Long-term debt - due within one year	2,896,453	1,175,000	4,071,453
Total current liabilities	27,939,328	6,047,504	33,986,832
Noncurrent liabilities:			
Claims and judgments payable	5,525,280	-	5,525,280
Compensated absences payable	3,668,424	-	3,668,424
Long-term debt - due in more than one year	59,634,771	61,550,741	121,185,512
Total noncurrent liabilities	68,828,475	61,550,741	130,379,216
Total liabilities	96,767,803	67,598,245	164,366,048
NET ASSETS			
Invested in capital assets, net of related debt	61,243,588	111,965,178	173,208,766
Restricted for:			
Capital projects	31,198,160	30,517,997	61,716,157
Debt service	2,377,866	31,009,422	33,387,288
Community development	3,219,685	-	3,219,685
Special projects	1,179,792	-	1,179,792
Total restricted	37,975,503	61,527,419	99,502,922
Unrestricted	72,493,990	33,995,113	106,489,103
Total net assets	$ 171,713,081	$ 207,487,710	$ 379,200,791

See Accompanying Notes to Basic Financial Statements.



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FUND FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund – The General Fund was established to account for sources and uses of financial resources traditionally associated with governments which are not required to be accounted for in another fund.

Gas Tax Special Revenue Fund – To account for revenue received from the State of California and other sources to be used for street maintenance and improvements only.

Park and Recreation Tax Special Revenue Fund – To account for park and recreation facilities tax revenue to be used for planning, acquisition, improvements or expansion of public parks, playgrounds, or other recreational facilities.

City of San Buenaventura Certificates of Participation (COP) Debt Obligations Fund – To account for the accumulation of resources and payment of long-term debt principal and interest for COP issues by the Public Facilities Financing Authority.

Capital Improvement Project Capital Projects Fund – To account for financial resources to be used for purchase or construction of major capital improvements (other than those funded through proprietary or special revenue funds).

Redevelopment Agency Projects Capital Projects Fund – To account for the economic revitalization and redevelopment of the City through acquisition and development of City property determined to be in a declining condition.

Other Governmental Funds – The aggregate of all the non-major governmental funds.

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City of San Buenaventura
Balance Sheet
Governmental Funds
June 30, 2006

	Major Funds				
	General Fund	Gas Tax Special Revenue	Park and Recreation Special Revenue	Certificates of Participation Debt Obligation Debt Service	CIP General Capital Projects
ASSETS					
Cash and investments	$ 36,295,099	$ 16,320,576	$ 7,290,067	$ -	$ 8,547,811
Restricted cash and investments	-	-	-	9,466,740	-
Investment in bonds	1,095,000	-	-	-	-
Accounts receivable, net	28,233	2,633	-	-	57,242
Interest receivable	1,382,520	-	-	-	-
Due from other funds	-	-	-	-	52,007
Due from others	1,822,275	-	-	-	-
Due from other governments	6,657,028	1,183,407	34,360	-	480,690
Prepaid items	11,394	-	-	-	-
Inventory	530,546	-	-	-	-
Loans and notes receivable	1,022,446	-	-	-	-
Land and buildings held for resale	-	-	-	-	-
Advances to Redevelopment Agency	14,019,085	-	-	-	-
Total assets	$ 62,863,626	$ 17,506,616	$ 7,324,427	$ 9,466,740	$ 9,137,750
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 968,785	$ 134,592	$ 183,632	$ -	$ 42,207
Contracts payable	-	1,041,033	7,265	-	165,606
Due to other funds	6,000	-	-	1,306,611	-
Due to other governments	13,764	-	-	-	-
Deposits held for others	11,318,881	-	-	-	-
Advances from other funds	-	-	-	-	-
Deferred revenue	2,989,474	1,049,792	-	-	283,001
Total liabilities	15,296,904	2,225,417	190,897	1,306,611	490,814
Fund Balances:					
Reserved:					
Encumbrances	2,151,565	-	-	-	-
Petty cash	7,470	-	-	-	-
Advances to Redevelopment Agency	14,019,085	-	-	-	-
Prepaid items	11,394	-	-	-	-
Inventories	530,546	-	-	-	-
Assets held for resale	-	-	-	-	-
Loans and notes receivable	1,022,446	-	-	-	-
Investment in Portobello bonds	1,095,000	-	-	-	-
Debt service	-	-	-	8,160,129	-
Total reserved	18,837,506	-	-	8,160,129	-
Unreserved, designated:					
Contingencies	12,000,000	-	-	-	-
Special revenue funds	-	5,863,226	3,976,153	-	-
Capital projects funds	-	-	-	-	8,591,515
Other	12,763,519	-	-	-	-
Total unreserved, designated	24,763,519	5,863,226	3,976,153	-	8,591,515
Unreserved, undesignated:					
General fund	3,965,697	-	-	-	-
Special revenue funds	-	9,417,973	3,157,377	-	-
Capital projects funds	-	-	-	-	55,421
Total fund balances	47,566,722	15,281,199	7,133,530	8,160,129	8,646,936
Total liabilities and fund balances	$ 62,863,626	$ 17,506,616	$ 7,324,427	$ 9,466,740	$ 9,137,750

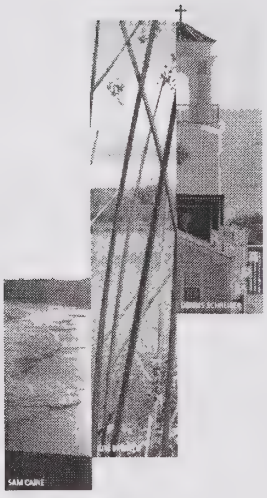
See Accompanying Notes to Basic Financial Statements.

Major Funds		
Redevelopment Agency Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 3,321,607	$ 9,632,811	$ 81,407,971
-	1,910,916	11,377,656
-	-	1,095,000
-	11,070	99,178
-	-	1,382,520
-	-	52,007
983	3,311	1,826,569
19,446	206,929	8,581,860
-	-	11,394
-	-	530,546
612,350	2,322,397	3,957,193
2,110,887	390,000	2,500,887
-	-	14,019,085
$ 6,065,273	$ 14,477,434	$ 126,841,866
$ 19,007	$ 161,554	$ 1,509,777
200,279	-	1,414,183
-	-	1,312,611
126,812	1,864,366	2,004,942
-	-	11,318,881
14,019,085	-	14,019,085
-	67,353	4,389,620
14,365,183	2,093,273	35,969,099
211,155	55,881	2,418,601
-	-	7,470
-	-	14,019,085
-	-	11,394
-	-	530,546
2,110,887	390,000	2,500,887
612,350	2,322,398	3,957,194
-	-	1,095,000
-	5,950,078	14,110,207
2,934,392	8,718,357	38,650,384
-	-	12,000,000
-	2,117,118	11,956,497
-	-	8,591,515
-	-	12,763,519
-	2,117,118	45,311,531
-	-	3,965,697
-	1,396,490	13,971,840
(11,234,302)	152,196	(11,026,685)
(8,299,910)	12,384,161	90,872,767
$ 6,065,273	$ 14,477,434	$ 126,841,866

City of San Buenaventura
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets
June 30, 2006

Total Fund Balances - Total Governmental Funds	$	90,872,767
Amounts reported for governmental activities in the Statement of Net Assets were different because:		
Equity interest in Scat is not a current financial resource and not reported in the Governmental Funds Balance Sheet.		3,498,416
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:		
Non-depreciable		46,352,139
Depreciable		161,140,769
Accumulated depreciation		(90,622,782)
Total capital assets		116,870,126
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.		(1,240,619)
Deferred revenue reported on the accrual basis in the Government-wide Statement of Net Assets.		3,656,505
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-wide Statement of Net Assets.		
Computer Replacement Fund		2,137,568
Equipment Services Fund		9,525,757
Building Maintenance Fund		515,726
Reproduction Services Fund		245,942
Workers' Compensation Fund		1,952,124
Employee Fringe Benefits Fund		1,063,789
Risk Management Fund		4,949,526
Total internal service funds		20,390,432
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.		
Long-term liabilities - due within one year		(2,885,689)
Long-term liabilities - due in more than one year		(59,448,857)
Total long-term liabilities		(62,334,546)
Net Assets of Governmental Activities	$	171,713,081

See Accompanying Notes to Basic Financial Statements.



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City of San Buenaventura

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets

For the year ended June 30, 2006

Net Change in Fund Balances - Total Governmental Funds	$	(6,086,517)
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:		
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.		9,507,948
The net loss in the equity interest in Scat was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but did not require the use of current financial resources. Therefore, the net loss was not reported as expenditures in Governmental Funds.		(234,279)
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in Governmental Funds.		(1,848,123)
Deferred revenue is reported on the accrual basis in the Government-Wide Statement of Activities. The following amount represented the change in accrued deferred revenue from the prior year.		2,077,250
Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.		2,864,960
Accrued interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they did not require the use of current financial resources. Therefore, accrued interest expense was not reported as expenditures in governmental funds. The following amount represented the change in accrued interest from the prior year.		33,451
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.		3,905,879
Change in Net Assets of Governmental Activities	$	10,220,569

See Accompanying Notes to Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

PROPRIETARY FUND FINANCIAL STATEMENTS

Wastewater Fund – To account for all wastewater activities and treatment services provided to the City of San Buenaventura, including but not limited to administration, operations, maintenance, laboratory, and debt service.

Water Fund – To account for all water activities and water treatment services provided to the City of San Buenaventura and some residents of the County. Such activities include but are not limited to administration, maintenance, distribution, customer service, production, purification, and debt service.

Golf Fund – To account for revenue and costs related to the operation of two municipal golf courses for use by the general public.

Paramedic Services Fund – To account for revenue and costs related to providing basic and advanced life support services to citizens of the City.

Internal Service Funds – These funds are used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

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City of San Buenaventura
Statement of Net Assets
Proprietary Funds
June 30, 2006

	Major Funds			
	Wastewater	Water	Golf Course	Paramedic Services
ASSETS				
Current assets:				
Cash and investments	$ 19,770,616	$ 10,702,266	$ 2,346,789	$ 346,418
Accounts receivable, net	2,295,710	3,163,923	-	-
Due from other funds	-	-	1,254,604	-
Due from others	28	38,959	175,810	
Due from other governments	-	5,672,038		-
Prepaid items	450	-	-	-
Notes receivable	-	-	-	-
Total current assets	22,066,804	19,577,186	3,777,203	346,418
Noncurrent assets:				
Restricted cash and investments	19,489,910	11,979,701	-	-
Deferred charges	632,818	620,786	-	-
Water rights	-	1,221,838	-	-
State water line construction project	-	20,682,372	-	-
Capital assets:				
Non-depreciable	18,055,296	27,707,057	14,085,422	-
Depreciable, net	50,247,542	62,862,671	1,543,647	189,284
Total capital assets	68,302,838	90,569,728	15,629,069	189,284
Total noncurrent assets	88,425,566	125,074,425	15,629,069	189,284
Total assets	110,492,370	144,651,611	19,406,272	535,702
LIABILITIES				
Current liabilities:				
Accounts payable	292,679	661,981	374,529	20,418
Contracts payable	113,909	1,054,743	669,741	-
Accrued payroll liabilities	-	-	-	-
Interest payable	364,250	293,494	-	-
Deposits held for others	-	750,295	-	-
Due to other governments	-	-	276,465	-
Claims and judgments payable	-	-	-	-
Compensated absences payable	-	-	-	-
Long-term debt - due within one year	650,000	525,000	-	-
Total current liabilities	1,420,838	3,285,513	1,320,735	20,418
Noncurrent liabilities:				
Claims and judgments payable	-	-	-	
Compensated absences payable	-	-	-	-
Long-term debt - due in more than one year	23,369,430	38,181,311	-	-
Total noncurrent liabilities	23,369,430	38,181,311		
Total liabilities	24,790,268	41,466,824	1,320,735	20,418
NET ASSETS				
Invested in capital assets, net of related debt	44,283,408	51,863,417	15,629,069	189,284
Restricted for:				
Capital projects	19,517,666	9,642,219	1,358,112	-
Debt service	19,029,721	11,979,701	-	-
Unrestricted	2,871,307	29,699,450	1,098,356	326,000
Total net assets	$ 85,702,102	$ 103,184,787	$ 18,085,537	$ 515,284

See Accompanying Notes to Basic Financial Statements.

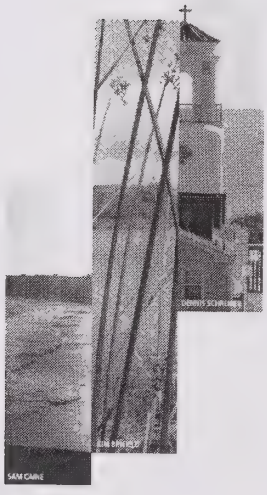
Total	Governmental Activities Internal Service Funds
$ 33,166,089	$ 28,248,014
5,459,633	135,563
1,254,604	6,000
214,797	112,838
5,672,038	990,880
450	276
-	325,000
45,767,611	29,818,571
31,469,611	-
1,253,604	-
1,221,838	-
20,682,372	-
59,847,775	-
114,843,144	6,783,601
174,690,919	6,783,601
229,318,344	6,783,601
275,085,955	36,602,172
1,349,607	1,299,527
1,838,393	5,197
-	2,421,223
657,744	-
750,295	-
276,465	
-	2,613,366
-	482,045
1,175,000	10,764
6,047,504	6,832,122
-	5,525,280
-	3,668,424
61,550,741	185,914
61,550,741	9,379,618
67,598,245	16,211,740
111,965,178	6,783,601
30,517,997	-
31,009,422	-
33,995,113	13,606,831
$ 207,487,710	$ 20,390,432

City of San Buenaventura
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2006

	Major Funds			
	Wastewater	Water	Golf Course	Paramedic Services
OPERATING REVENUES:				
Utility service charges	$ 14,144,570	$ 17,838,573	$ -	$ 450,002
Golf fee charges	-	-	3,201,831	-
Internal service charges	-	-	-	-
Other operating revenues	-	-	-	-
Total operating revenues	14,144,570	17,838,573	3,201,831	450,002
OPERATING EXPENSES:				
Salaries and benefits	3,197,259	3,943,146	189,322	137,012
Contractual services	985,637	598,518	2,820,708	51,438
Materials and supplies	1,350,998	1,825,361	2,398	46,122
General and administrative	3,174,909	6,450,816	236,925	9,883
Insurance premiums and settlement	-	-	-	-
Depreciation	1,173,853	1,358,446	130,369	22,115
Total operating expenses	9,882,656	14,176,287	3,379,722	266,570
OPERATING INCOME (LOSS)	4,261,914	3,662,286	(177,891)	183,432
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	1,513,379	573,009	88,854	7,165
Interest expense	(1,466,025)	(1,224,032)	-	-
Total nonoperating revenues (expenses)	47,354	(651,023)	88,854	7,165
Income before transfers	4,309,268	3,011,263	(89,037)	190,597
Transfers in	7,003	619,089	6,333,004	-
Transfers out	(675,221)	(824,437)	(1,412,154)	-
Change in net assets	3,641,050	2,805,915	4,831,813	190,597
NET ASSETS:				
Beginning of year, restated	82,061,052	100,378,872	13,253,724	324,687
End of year	$ 85,702,102	$ 103,184,787	$ 18,085,537	$ 515,284

See Accompanying Notes to Basic Financial Statements.

Total	Governmental Activities Internal Service Funds
$ 32,433,145	$ -
3,201,831	-
-	34,831,078
-	2,254,613
35,634,976	37,085,691
7,466,739	3,479,548
4,456,301	2,481,848
3,224,879	2,371,050
9,872,533	15,867,917
-	7,823,244
2,684,783	992,718
27,705,235	33,016,325
7,929,741	4,069,366
2,182,407	(199,327)
(2,690,057)	-
(507,650)	(199,327)
7,422,091	3,870,039
6,959,096	297,130
(2,911,812)	(261,290)
11,469,375	3,905,879
196,018,335	16,484,553
$ 207,487,710	$ 20,390,432



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FIDUCIARY FUND FINANCIAL STATEMENTS

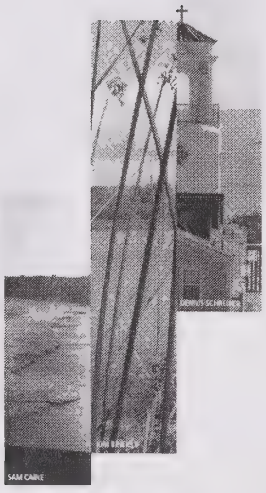
FIDUCIARY FUND FINANCIAL STATEMENTS

Portobello Assessment District Fund – To account for the funds held in trust by the City as collected from property assessments to be used for payment of debt service on special assessment bonds issued to fund improvements and maintenance of the Portobello Canal.

City of San Buenaventura
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	Fiduciary Funds
ASSETS	
Cash and cash equivalents	$ 94,722
LIABILITIES	
Deposits held for others	$ 94,722

See Accompanying Notes to Basic Financial Statements.



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NOTES TO BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

City of San Buenaventura
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For the year ended June 30, 2006

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of San Buenaventura, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Description of the Reporting Entity

The City, incorporated as a town on March 10, 1866, was recognized as a city in the State of California by election on December 4, 1905, and was certified on January 5, 1906. The initial City Charter was adopted October 13, 1931, and was revised most recently on November 4, 1986. The City operates under an elected Council and appointed City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), public works (maintenance services and utilities), community services, and general administrative services.

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The City had no discretely presented component units. The following entities are reported as blended component units:

The Redevelopment Agency of the City of San Buenaventura (Agency) was created by the City of San Buenaventura City Council (City Council) in August 1961. The Agency was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City. The City Council acts as the Agency's governing board and exerts significant influence over its operations. The funds of the Agency have been included in the governmental activities of the financial statements.

San Buenaventura Public Facilities Financing Authority (Authority) was established by ordinance, pursuant to the City Charter and Constitution of the State of California, as a public body, corporate and politic, acting to facilitate serving the public purposes of the City. The ordinance was adopted on May 28, 1985, and became effective July 1, 1985. The governing body of the Authority is comprised of the consenting members of the City Council. The Authority is empowered to construct, acquire, maintain and improve public facilities and improvements within the City and to sell, lease, exchange, transfer, encumber or otherwise dispose of any interest in property. The Authority's activities presently consist of providing financial assistance to the City through the issuance of certificates of participation and the leasing of assets to the City. At the end of the lease term, all assets revert to the City. The funds of the Authority have been included in the governmental activities of the financial statements.

Complete financial statements for each of the individual component units may be obtained from the City of San Buenaventura, P.O. Box 99, Ventura, California 93002-0099.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government - Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These basic financial statements are presented on an *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Assets, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect), as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria. In addition, the City has presented certain funds as major funds because the City believes the financial position and activities of these funds are significant to the City as a whole. The following is a list of these major funds:

General Fund - The general fund was established to account for sources and uses of financial resources traditionally associated with governments, which are not required to be accounted for in another fund.

Gas Tax Special Revenue Fund - To account for revenue received from the State of California and other sources to be used for street maintenance and improvements only.

Park and Recreation Special Revenue Fund - To account for park and recreation facilities tax revenue to be used for planning, acquisition, improvements, or expansion of public parks, playgrounds, or other recreational facilities.

Certificates of Participation (COP) Debt Obligations Fund - To account for the accumulation of resources and payment of long-term debt principal and interest for COP issues by the Public Facilities Financing Authority.

CIP General Capital Projects Fund - To account for financial resources to be used for the purchase or construction of major capital improvements (other than those funded through proprietary or special revenue funds).

Redevelopment Agency Capital Projects Fund - To account for the economic revitalization and redevelopment of the City through acquisition and development of City property determined to be in declining condition.

All governmental funds are accounted for on a spending or *"current financial resources"* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the Balance Sheet and revenue is recognized.

The Reconciliation of the Governmental Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund. The following is a list of the proprietary funds:

Wastewater Fund – To account for all sewer activities and treatment services provided to the City of San Buenaventura, including, but not limited to administration, operations, maintenance, laboratory, and debt service.

Water Fund – To account for all water activities and water treatment services provided to the City of San Buenaventura and some residents of the County. Such activities include but are not limited to administration, maintenance, distribution, customer service, production, purification, and debt service.

Golf Course Fund – To account for revenue and costs related to the operation of two municipal golf courses for use by the general public.

Paramedic Services Fund – To account for revenue and costs related to providing basic and advanced life support services to citizens of the City.

A separate column representing internal service funds is also presented in these statements; however, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements. The following is a list of the internal service funds:

Information Technology Fund - To account for costs related to the replacement and maintenance of the City's computer infrastructure. Costs are recovered through a monthly user fee charged to City departments.

Fleet Maintenance Fund - To account for costs related to operations of the central fleet maintenance system, which provides vehicles for all City departments. Costs are recovered through a monthly user fee charged to City departments.

Facilities Maintenance Fund - To account for costs related to providing building maintenance services to all City departments. A monthly fee, based on square footage, is charged to City departments to recover these costs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Reproduction Services Fund - To account for costs related to printing and reproduction of materials by all City departments. Costs are recovered through a monthly fee charged to City departments using the service.

Workers' Compensation Fund - To account for costs and liabilities related to the Workers' Compensation Program. Costs are recovered through a monthly fee based on employee type charges to City departments.

Employee Fringe Benefits Fund - To account for costs and liabilities related to health, life, dental and disability insurances, public employees' retirement system, federal and state taxes, association dues, leave time benefits and miscellaneous deductions paid by the City on behalf of the employees. A bi-weekly employee benefit charge, based on a percentage of gross payroll, is charged to City departments to recover these costs.

Risk Management Fund - To account for costs of providing public liability insurance coverage to operating funds. Costs are recovered from those funds that benefit from the insurance coverage.

Proprietary funds are accounted for using the *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Assets. The City's fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are reported using the accrual basis of accounting. The City currently reports one fiduciary fund detailed below:

Portobello Assessment District Fund - To account for the funds held in trust by the City as collected from property assessments to be used for payment of debt service on special assessment bonds issued to fund improvements and maintenance of the Portobello Canal.

C. Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-backed Securities are subject to market risk as to change in interest rates.

For purposes of reporting cash flows, the City considers each fund's share in the cash and investments pool to be cash and cash equivalents including cash with fiscal agents.

E. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects. Cash and investments are also restricted for deposits held for others within the enterprise funds. The restricted cash and investments are combined with unrestricted cash and investments and displayed as Cash and Investments.

F. Inventories and Prepaid Items

Inventory is valued at cost using the first in, first out method. Inventory in the proprietary funds consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense as inventory items are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

G. Assets Held for Resale

Land and buildings held for resale are recorded at the lower of cost or estimated net realizable value. Fund balances are reserved in amounts equal to the carrying value of land and buildings held for resale, because such assets are not available to finance the City's current operations.

H. Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Interfund Transactions (continued)

Advances between funds, reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

I. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at $5,000 and for reporting infrastructure assets at $5,000. Gifts or contributions of capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings and Improvements	10 – 76 years
Improvements other than buildings	10 – 75 years
Machinery and Equipment	2 – 75 years
Infrastructure	5 – 50 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with Statement No. 34, the City has included the value of all infrastructure in the basic financial statements.

The City defines infrastructure as the basic physical assets that allow the City to function. These assets include the streets, water purification and distribution system, sewer collection and treatment system, park and recreation lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land.

These subsystems are not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the basic approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City-owned infrastructure and property as of June 30, 2001. This appraisal determined the estimated historical cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Estimated historical costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, on unrecovered cost method, was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the estimated historical cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Compensated Absences

The City accrues the cost of annual vacation leave as earned for all eligible employees.

The City accrues the cost of sick leave for all employees following ten (10) years of continuous City service, when employees become eligible for a payout of the balance of unused sick leave upon separation (resignation or retirement). The amount of payout varies by employee group as follows:

> All police and fire unit employees are eligible to receive a sick leave payout based on the number of "credits" earned. Credits are earned by using less sick leave hours annually than the negotiated standard. Police unit employees with 1-19 credits receive a 25 percent payout, employees with 20-29 credits receive a 50 percent payout and employees with 30 credits receive 100 percent payout of their sick leave balance at time of separation. Fire unit employees with 1-19 credits receive a 25 percent payout, employees with 20-29 credits receive a 50 percent payout and employees with 30 years of service receive a 100 percent payout regardless of the number of credits.

Vacation and sick leave benefits are accrued and recorded in the Employee Fringe Benefits Internal Service Fund. Compensated absences are generally liquidated by the Internal Service Fund.

K. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental fund types and proprietary fund types.

In the fund financial statements, proprietary fund types recognize the interest payable when the liability is incurred.

M. Property Taxes

Property taxes are levied based on a fiscal year (July 1 – June 30). The property tax assessments are formally due on November 1 and February 1, and become delinquent as of December 10 and April 10, respectively. Taxes become a lien on the property effective March 1 of the preceding year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

O. Fund Balances - Reservations and Designations

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

P. Use of Estimates

The preparation of the basic financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

2. CASH AND INVESTMENTS

A. Cash and Investments

Cash and investments as of June 30, 2006, are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	$ 142,822,074
Investment in bonds	1,095,000
Cash and investments held by bond trustee	42,847,267
Fiduciary funds:	
Cash and investments	94,722
Total cash and investments	$ 186,859,063

2. CASH AND INVESTMENT, Continued

A. Cash and Investments (continued)

Cash and investments as of June 30, 2006, consist of the following:

Cash on hand	$	20,945
Deposits with financial institutions		4,222,888
Investments		182,615,230
Total cash and investments	$	186,859,063

B. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Certificates of Deposit	5 Years	N/A	None
Repurchase Agreements	90 days	N/A	N/A
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Municipal Debt	30 years	N/A	N/A
Local Agency Investment Fund (LAIF)	N/A	$40 million	None

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

2. CASH AND INVESTMENTS, Continued

C. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
US Treasury Obligations	30 years	None	None
Money Market Mutual Funds	N/A	N/A	N/A
Guaranteed Investment Contract	30 years	N/A	N/A
Local Agency Investment Fund	N/A	N/A	None

D. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Remaining Maturity (in Months)			
Investment Type		12 Months or Less	13 to 24 Months	25-59 Months	60 < Months
Federal Agency Securities	$ 124,659,688	$ 48,685,013	$ 60,991,675	$ 14,983,000	$ -
Municipal Debt	1,095,000	-	-	-	1,095,000
Treasury Security Coupons	1,971,875	1,971,875	-	-	-
Local Agency Investment Fund	12,041,402	12,041,402	-	-	-
Held by bond trustee:					
Money Market Funds	1,337,731	1,337,731	-	-	-
Investment Contracts	37,749,573	17,997,506	-	17,735,934	2,016,133
Local Agency Investment	3,759,961	3,759,961	-	-	-
Total	$ 182,615,230	$ 85,793,488	$ 60,991,675	$ 32,718,934	$ 3,111,133

2. CASH AND INVESTMENTS, Continued

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following presentation is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

Investment Type		Minimum Rating	Exempt From Rating	AAA/AAA	Not Rated
Federal Agency Securities	$ 124,659,688	N/A			$ 124,659,688
Municipal Debt	1,095,000	N/A			1,095,000
Local Agency Investment Fund	12,041,402	N/A			12,041,402
Treasury Security Coupons	1,971,875	N/A	$ 1,971,875		
Held by bond trustee:					
Money Market Funds	1,337,731	A		$ 1,337,731	
Investment Contracts	37,749,573	N/A			37,749,573
Local Agency Investment fund	3,759,961	N/A			3,759,961
Total	$ 182,615,230		$ 1,971,875	$ 1,337,731	$ 179,305,624

See note 2F below for Federal Agency Securities by institution.

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5 percent or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount
FNMA	Federal agency securities	$39,332,813
Federal Home Loan Bank	Federal agency securities	54,777,500
Federal Home Loan Mortgage Corp	Federal agency securities	28,585,000
Federal Farm Credit Bank	Federal agency securities	1,964,375

2. CASH AND INVESTMENTS, Continued

G. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2006, City investments in the following investment types were held by the safekeeping department of Bank of New York and the City uses other broker-dealers to buy the securities:

Investment Type	Reported Amount
Federal Agency Securities	$ 124,659,688

H. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. LOANS AND NOTES RECEIVABLE

At June 30, 2006, loans and notes receivable consisted of the following:

	Balance July 1, 2005	Additions	Deletions	Balance June 30,2006
City Home	$ 806,756	$ -	$ -	$ 806,756
Business Assistance Program:				
Micro Loan	514,300	170,010	(81,216)	603,094
Code Compliance Assistance	143,689	72,157	(39,587)	176,259
Commercial Rehabilitation Loan	232,850	181,254	(71,108)	342,996
Economic Development Loan	-	400,000	-	400,000
City Officials	325,000	-	-	325,000
Redevelopment Agency:				
Disposition and development agreement - 1997	500,000	-	-	500,000
Disposition and development agreements - 2002	10,000	-	(10,000)	-
Homebuyer Assistance Program	61,500	30,507	(44,362)	47,645
CHFA HELP Program Loan	83,977	-	(8,027)	75,950
Housing Preservation Program	1,047,728	119,292	(162,527)	1,004,493
Total	$ 3,725,800	$ 973,220	$ (416,827)	$ 4,282,193

A. City Home

The general purpose of the City Home program is to promote neighborhood stabilization, stimulate private reinvestment, and broaden affordable housing opportunities.

The Program is administered by the Housing Authority of San Buenaventura and provides deferred loans, to low-income residents who are first-time homebuyers, for down-payment assistance.

B. Business Assistance Program

There are four components to the Business Assistance Program. The Micro-Loan Program and the Code Compliance Program are available Citywide. The Commercial Rehabilitation Loan Program focuses on established redevelopment and revitalization areas. The Economic Development Loan Program focuses on establishing businesses in Ventura. All loan programs must adhere to adopted Design Guidelines and Design Review requirements where applicable.

The interest rate will be fixed at the cost of City funds, plus two points. The borrower is responsible for repaying the entire loan, plus interest in a timely manner. The maximum term of the loan will not exceed 10 years.

3. LOANS AND NOTES RECEIVABLE, Continued

B. *Business Assistance Program, Continued*

There are four components of this program:

Micro Loan Program - The primary goal of this program is to create jobs and support the growth and success of small businesses in San Buenaventura. This is a flexible program designed for existing and new small businesses. The minimum loan to any business is $10,000 with a maximum of $50,000.

Code Compliance Assistance Program - The Code Compliance Assistance Program is to support businesses with building code compliance requirements on existing commercial properties. This program is designed to encourage code compliance and public safety in conjunction with Inspection Services.

Commercial Rehabilitation Loan Program - The Commercial Rehabilitation Loan Program is designed to encourage revitalization and renovation of older commercial districts while promoting physical enhancement of commercial property. The program goal is to foster business growth or retention through a more conducive and marketable physical environment. Qualified property owners and businesses may be eligible to receive below market rate loans for façade, construction, or building renovation. This program is targeted to the Downtown Redevelopment Area and the Westside Revitalization Area.

Economic Development Loan Program – The Economic Development Loan Program is designed to encourage and facilitate business in Ventura in that the business will generate significant sales tax revenues for the City that can be applied to fund the many City facilities and services that benefit the Ventura community.

C. *City Officials*

The City Council has established mortgage assistance benefits by resolution because such benefits are recognized as an important tool to encourage key officials to live in the City. It also provides an added incentive to generate the most qualified pool of applicants for statewide and out-of-state recruitments.

The City has one loan outstanding for the purpose of mortgage assistance in the purchase of a home. The loan is secured by a deed of trust on the property.

The following table summarizes the loan activity:

Date Issued	Original Amount of Loan	Term of Loan	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
2003	$ 325,000	*	$ 325,000	-	-	$ 325,000

* The City's share of its equity interest in the Ventura Residence shall be due and payable in full; (1) immediately upon the sale of or other transfer of title to the Ventura Residence by Employee; (2) within 120 days of the termination of Employee's service as the City Manager of City for any reason whatsoever, or; (3) within 120 days of the termination of Employee's use of the Ventura Residence as his principal residence.

3. LOANS AND NOTES RECEIVABLE, Continued

D. Redevelopment Agency

Disposition and Development Agreement – 1997 - The Agency entered into a disposition and development agreement in October 1997 to loan $500,000 to a limited liability company to construct certain improvements on property within the Agency's Downtown Redevelopment Project Area. The loan is secured by a deed of trust and bears no interest. The total amount is due on the tenth anniversary of the note, which can be forgiven upon the occurrence of certain events. The outstanding amount due to the Agency as of June 30, 2006, was $500,000.

Disposition and Development Agreements – 2002 - The Agency entered into three disposition and development agreements in November 2002 to loan $10,000 each to three trustors to provide low income housing for the residents of the City within the Redevelopment Project Area. The loan is secured by a deed of trust and bears no interest. Repayments of the loans are based on property revenue and other property compliance issues. The total amount is due on the thirtieth anniversary of the note, which can be forgiven upon the occurrence of certain events. The loan has been paid in full to the Agency as of June 30, 2006.

Homebuyer Assistance Program - The Agency entered into an agreement on September 13, 1999. The outstanding amount due to the Agency as of June 30, 2006, was $47,645.

E. CHFA HELP Loans

The primary goal of this program is for rental rehabilitation or seismic improvements of multifamily housing units in designated target areas. The City provided a 3 percent interest rate, fully amortizing loans for property rehabilitation to landlords for 15 to 30 years. Participating landlords agreed to fix maximum rents at fair market rates established for the HUD Section 8 Program during the term of the HELP Loan. Eligible developments must be occupied by a minimum of 51 percent low-income households, adjusted for family size, as defined by HUD, at the initiation of negotiations between the Landlord and the City. The outstanding balance as of June 30, 2006, was $75,950. The program is no longer active except for existing loans.

F. Housing Preservation Program

Under the Housing Preservation Program (HPP), low interest loans are available to qualifying low and moderate-income households to rehabilitate single-family owner-occupied properties. Special hardship grants are also available on an urgent need basis to address immediate threats to health and safety. The outstanding amount as of June 30, 2006, was $1,004,493.

4. INTERFUND TRANSACTIONS

A. Fund Financial Statements

Advances to/from Other Funds

As of June 30, 2006, balances of advances to/from other funds were as follows:

Advances from other funds	Advances to other funds: General Fund
Redevelopment Agency Capital Projects Fund	$ 14,019,085

The long-term advances consisted of the following:

	Balance 7/1/2005	Additions	Deletions	Balance 6/30/2006
Line of Credit	$ 13,773,439	245,646	-	$ 14,019,085

The advances between the Agency and the City have been established through a cooperation agreement, first approved in 1980, describing the operation support provided to the Agency, and the terms and conditions for repayment of City loans or advances. In June 1992 and May 1997, a restated and amended cooperation agreement was adopted for the purpose of restructuring the financial aspects of the relationship. In 2004, an amended cooperation agreement was adopted to establish predictable revenue stream into the General Fund and accumulation of project funds for the Agency.

The 2004 amended agreement calls for: (1) the Agency to reimburse the City with interest payments of $500,000 to $731,304 through May 15, 2009, beginning May 15, 2005; (2) interest payments accruing at five percent on the total amount of principal owed by the Agency to the City beginning July 1, 2004; (3) in the event there is insufficient tax increment to make a debt payment, the Agency may request to defer that portion that is unable to be paid in the current year to an upcoming year, any request shall be presented to City Council at a regular meeting, on or before June 30 of that year, and; (4) in the event the tax increments exceeds expenditures, including debt service and interest, the City and Agency agree to reconsider the debt schedule during the budget development to ensure that the accumulation of project funds does not adversely impact the General Fund.

The City may elect to reloan funds to the Agency, on an as-needed basis, through a line of credit, as described in the agreement. Currently, the City supports the Agency by making advances for project costs and administrative expenses and fully reserves the potential line of credit available in the City's General Fund. The outstanding line of credit balance at June 30, 2006, was $14,019,085. The Agency's liability with respect to the line of credit is also included in the City's General Fund to the basic fund financial statements.

4. INTERFUND TRANSACTIONS, Continued

A. Fund Financial Statements, Continued

Due to/from Other Funds

As of June 30, 2006, balances of due to/from other funds were as follows:

	Due from other funds			
Due to other funds	CIP General Capital Projects	Golf Course Enterprise	Internal Service Facilities Maintenance	Total
General Fund	$ -	$ -	$ 6,000	$ 6,000
Certificates of Participation Debt Obligation Debt Service Fund	52,007	1,254,604	-	1,306,611
Total	$ 52,007	$ 1,254,604	$ 6,000	$ 1,312,611

General Fund

Recovery of facilities maintenance costs to be reimbursed next year.

Certificates of Participation Debt Obligation Debt Service Fund

Capital Improvement construction expenditures to be reimbursed next year with debt financing funds.

Transfers

Transfers for the year ended June 30, 2006, were as follows:

	Transfers In								
	Major Funds								
		Debt Service	Capital Projects Funds	Enterprise					
Transfers Out	General Fund	Certificates of Participation Debt Obligation	CIP General	Wastewater	Water	Golf Course	Internal Service Funds	Other Governmental Funds	Total
General Fund	$ -	$ 2,962,352	$ 1,880,000	$ -	$ -	$ -	$ 149,896	$ 1,243,669	$ 6,235,917
Special Revenue Funds:									
Gas Tax	62,934	-	-	-	-	-	-	6,826	69,760
Parks and Recreation	150,000	-	-	-	-	-	-	20,599	170,599
Debt Service Fund:									
Certificates of Participation-Debt Obligation	-	-	1,169,340	-	-	6,333,004	-	-	7,502,344
Capital Projects Funds:									
CIP General	55,610	-	-	-	-	-	-	3,849	59,459
Redevelopment Agency	-	-	-	-	-	-	-	498,307	498,307
Enterprise Funds:									
Wastewater	-	-	-	-	619,089	-	13,172	42,960	675,221
Water	5,001	-	-	-	-	-	134,062	685,374	824,437
Golf Course	-	1,385,518	-	-	-	-	-	26,636	1,412,154
Other Governmental Funds	88,553	-	-	7,003	-	-	-	-	95,556
Internal Service Fund	250,001	-	11,289	-	-	-	-	-	261,290
Total	$ 612,099	$ 4,347,870	$ 3,060,629	$ 7,003	$ 619,089	$ 6,333,004	$ 297,130	$ 2,528,220	$ 17,805,044

4. INTERFUND TRANSACTIONS, Continued

A. Fund Financial Statements, Continued

Transfers, Continued

The transfers were for the following purposes:

General Fund transfers to:		
Certificate of Participation Debt	$ 2,962,352	For payment of the annual debt service requirements.
CIP General	1,880,000	To provide funding for various capital improvement projects including the City Hall Terra Cotta restoration, the City Hall east first floor remodeling, the Police/Fire headquarters remodeling and emergency generator replacement, and the Beach Water Quality project.
Internal Service Funds	149,896	For future computer, vehicle, and building replacement.
Other Governmental Funds	1,243,669	To provide funding for future annual debt service requirements and reimbursement of public safety expenditures.
	$ 6,235,917	
Gas Tax transfers to:		
General Fund	$ 62,934	For reimbursement of Gas Tax eligible expenditures.
Other Governmental Funds	6,826	For funding of future public art projects.
	$ 69,760	
Park and Recreation transfers to:		
General Fund	$ 150,000	For reimbursement of funding provided for improvement projects financed through prior debt financing.
Other Governmental Funds	20,599	For funding of future public art projects.
	$ 170,599	
Certificate of Participation Debt Obligation transfers to:		
CIP General	$ 1,169,340	For reimbursement of expenditures on improvement projects financed through debt financing.
Golf Course	6,333,004	For reimbursement of expenditures on improvement projects financed through debt financing.
	$ 7,502,344	
CIP General transfers to:		
General Fund	$ 55,610	For reimbursement of computer maintenance expenditures related to the I-Net project.
Other Governmental Funds	3,849	For funding of future public art projects.
	$ 59,459	

4. INTERFUND TRANSACTIONS, Continued

A. Fund Financial Statements, Continued

Transfers, Continued

Redevelopment Agency transfers to:		
Other Governmental Funds	$ 498,307	For payment of the annual debt service requirements.
Wastewater transfers to:		
Water	$ 619,089	For reimbursement of the Utility Billing Office expenditures shared by Wastewater.
Internal Service Funds	13,172	For future computer replacement.
Other Governmental Funds	42,960	For funding of future public art projects.
	$ 675,221	
Water transfers to:		
General Fund	$ 5,001	For expenditures related to the development and maintenance of the City's web page.
Internal Service Funds	134,062	For future computer replacement.
Other Governmental Funds	685,374	For funding of future public art projects.
	$ 824,437	
Golf Course transfers to:		
Debt Service	$ 1,385,518	For reimbursement of expenditures on improvement projects financed through debt financing.
Other Governmental Funds	26,636	For funding of future public art projects.
	$ 1,412,154	
Other Governmental Funds transfers to:		
General Fund	$ 88,553	For administrative overhead expenditures related to the Maintenance Assessment Fund and the Housing and Community Block Grant Fund for the affordable housing program.
Wastewater	7,003	Return of prior funding of public art projects, project completed in the Wastewater Fund.
	$ 95,556	
Internal Service Funds transfers to:		
General Fund	$ 250,001	For reimbursement of funding provided for improvement projects financed through prior debt financing.
CIP General	11,289	Return of unused funding for the Sanjon Photovoltaic Project now complete.
	$ 261,290	

5. LAND AND BUILDINGS HELD FOR RESALE

Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
$ 1,082,850	$ 1,418,037	$ -	$ 2,500,887

Land and buildings held for resale are recorded at the lower of cost or estimated net realizable value. The available fund balance is reserved in an amount equal to the carrying value of land and buildings held for resale because such assets are not available to finance the City's current operations. The amount recorded as assets held for resale and the corresponding fund balance reserved as of June 30, 2006, was $2,500,887.

6. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2006, the City's capital assets consisted of the following:

	Government Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	$ 12,322,448	$ 393,475	$ 12,715,923
Construction in progress	34,029,691	59,454,300	93,483,991
Total non-depreciable assets	46,352,139	59,847,775	106,199,914
Depreciable assets:			
Buildings and improvements	51,779,028	49,195,516	100,974,544
Improvements other than buildings	15,969,831	65,135,909	81,105,740
Machinery and equipment	28,686,715	63,970,292	92,657,007
Infrastructure	79,855,127	-	79,855,127
Total depreciable assets	176,290,701	178,301,717	354,592,418
Less accumulated depreciation for:			
Buildings and improvements	(20,604,050)	(17,212,541)	(37,816,591)
Improvements other than buildings	(4,141,151)	(26,413,404)	(30,554,555)
Machinery and equipment	(13,806,351)	(19,832,628)	(33,638,979)
Infrastructure	(60,437,561)	-	(60,437,561)
Total accumulated depreciation	(98,989,113)	(63,458,573)	(162,447,686)
Total depreciable assets, net	77,301,588	114,843,144	192,144,732
Total capital assets	$ 123,653,727	$ 174,690,919	$ 298,344,646

6. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

The following is a summary of capital assets for governmental activities:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 12,322,448	$ -	$ -	$ 12,322,448
Construction in progress	52,999,991	10,466,984	(29,437,284)	$ 34,029,691
Total capital assets, not being depreciated	65,322,439	10,466,984	(29,437,284)	46,352,139
Capital assets, being depreciated:				
Buildings and improvements	44,564,923	7,618,694	(404,589)	51,779,028
Improvements other than buildings	10,579,571	5,390,260	-	15,969,831
Machinery and equipment	21,866,544	7,636,610	(816,439)	28,686,715
Infrastructure	70,366,023	9,489,104	-	79,855,127
Total capital assets, being depreciated	147,377,061	30,134,668	(1,221,028)	176,290,701
Less accumulated depreciation for:				
Buildings and improvements	(19,556,991)	(1,068,365)	21,306	(20,604,050)
Improvements other than buildings	(3,830,137)	(315,090)	4,076	(4,141,151)
Machinery and equipment	(13,236,321)	(1,258,158)	688,128	(13,806,351)
Infrastructure	(60,012,422)	(425,139)	-	(60,437,561)
Total accumulated depreciation	(96,635,871)	(3,066,752)	713,510	(98,989,113)
Total capital assets, being depreciated, net	50,741,190	27,067,916	(507,518)	77,301,588
Total governmental activities	$ 116,063,629	$ 37,534,900	$ (29,944,802)	$ 123,653,727

Depreciation expense in governmental activities for capital assets for the year ended June 30, 2006, was $3,066,752 and was allocated as follows:

General Government	$ 706,507
Human Resources	2,418
Finance and Technology	79,304
Community Development	22,762
Community Services	96,921
Police	421,772
Fire	354,508
Public Works	1,382,560
	$ 3,066,752

6. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

The following is a summary of capital assets for business-type activities:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	$ 393,475	$ -	$ -	$ 393,475
Construction in progress	78,311,890	23,709,881	(42,567,471)	59,454,300
Total capital assets, not being depreciated	78,705,365	23,709,881	(42,567,471)	59,847,775
Capital assets, being depreciated:				
Buildings and improvements	28,927,025	20,268,491	-	49,195,516
Improvements other than buildings	49,210,108	15,925,801	-	65,135,909
Machinery and equipment	56,925,917	7,222,262	(177,887)	63,970,292
Total capital assets, being depreciated	135,063,050	43,416,554	(177,887)	178,301,717
Less accumulated depreciation for:				
Buildings and improvements	(16,631,092)	(581,449)	-	(17,212,541)
Improvements other than buildings	(25,697,008)	(716,396)	-	(26,413,404)
Machinery and equipment	(18,606,249)	(1,386,939)	160,560	(19,832,628)
Total accumulated depreciation	(60,934,349)	(2,684,784)	160,560	(63,458,573)
Total capital assets, being depreciated, net	74,128,701	40,731,770	(17,327)	114,843,144
Total business-type activities	$ 152,834,066	$ 64,441,651	$ (42,584,798)	$ 174,690,919

Depreciation expense in business-type activities for capital assets for the year ended June 30, 2006, is composed of the following:

Sewer and Sanitation	$ 1,173,853
Water	1,358,446
Golf Course	130,369
Paramedic Services	22,115
Total depreciation expense	$ 2,684,783

6. CAPITAL ASSETS, Continued

B. Funds Financial Statements

The funds financial statements do not present general government capital assets but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

7. STATE WATER PROJECT

On July 6, 1971, the City executed a contract with the Casitas Municipal Water District (CMWD) for the allocation of fifty (50) percent of CMWD's annual entitlement of available water from the State of California Water Plan. In turn, the City assumed the burden of costs, both past and future, in the same proportion. The City's share of existing costs as of the inception of the contract was covered by a contract payable over a twenty (20) year period at four (4) percent interest, and was paid as of June 30, 1990.

The agreement currently in effect runs through the fiscal year ending June 30, 2035, with the right to extend the agreement for continued service. Under this agreement, the City's share of current project costs is paid on an annual basis. This agreement allows the City the option to maintain its right to beneficial use of water from the State Water Line Project. The costs for this project are adjusted semiannually by the State and have been increasing annually. The City's investment (at cost) in the State Water Line Project at June 30, 2006, was $20,682,372, which excludes the actual cost of water from the project.

The City will depreciate these costs when it begins using water from the State of California Water Plan.

8. LONG-TERM DEBT

A. Governmental Activities Long-Term Debt

The Summary of Changes in Long-Term Debt for Governmental Activities for the year ended June 30, 2006, is as follows:

					Classification	
	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006	Amounts Due Within One Year	Amounts Due in More than One Year
Governmental Activities:						
Refunding Lease Revenue Bonds	$ 4,215,000	$ -	$ (370,000)	$ 3,845,000	$ 390,000	$ 3,455,000
Parking Structure Loan	2,365,235	-	(255,689)	2,109,546	255,689	1,853,857
Certificates of Participation - 2001 Series A	2,465,000	-	(165,000)	2,300,000	170,000	2,130,000
Certificates of Participation - 2001 Series C	15,505,000	-	(330,000)	15,175,000	340,000	14,835,000
Certificates of Participation - 2002 Series B	17,395,000	-	(1,115,000)	16,280,000	1,150,000	15,130,000
Certificates of Participation - 2002 Series D	15,395,000	-	(325,000)	15,070,000	335,000	14,735,000
Tax Allocation Bonds - 2003	7,795,000	-	(240,000)	7,555,000	245,000	7,310,000
California Energy Commission 2001 Loan	64,271	-	(64,271)	-	-	-
California Energy Commission 2004 Loan	208,000	-	(11,322)	196,678	10,764	185,914
Subtotal governmental activities	65,407,506	-	(2,876,282)	62,531,224	2,896,453	59,634,771
Claims and judgments payable (Note 11)	9,668,303	2,343,086	(3,872,743)	8,138,646	2,613,366	5,525,280
Compensated absences payable (Note 1J)	4,085,039	3,426,058	(3,360,628)	4,150,469	482,045	3,668,424
Total governmental activities	$ 79,160,848	$ 5,769,144	$ (10,109,653)	$ 74,820,339	$ 5,991,864	$ 68,828,475

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Refunding Lease Revenue Bonds

On July 1, 1995, the City issued $7,090,000 Refunding Lease Revenue Bonds to refund existing Municipal Improvement Revenue Bonds for the Beach Parking Structure. The interest rate on the Refunding Lease Revenue Bonds ranges from 4.55 percent to 5.75 percent and matures in 2014. Debt service payments are scheduled annually in amounts ranging from $610,875 in 2000 to $613,350 in 2014. The balance outstanding as of June 30, 2006, was $3,845,000.

The annual debt service requirements for the Lease Revenue Bonds outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 390,000	$ 220,295	$ 610,295
2008	415,000	198,455	613,455
2009	440,000	174,800	614,800
2010	465,000	149,500	614,500
2011	490,000	122,764	612,764
2012-2014	1,645,000	192,624	1,837,624
Total	$ 3,845,000	$ 1,058,438	$ 4,903,438

Parking Structure Loan

A lease agreement for the beach parking structure premises was established with the issuance of the Municipal Improvement Revenue Series A Bonds (MIRB) in November 1983 and was restructured in July 1995 with the issuance of the Refunding Lease Revenue Bonds discussed above. The lease payments and proportionate share of proceeds are transferred to the City's trustee for handling of the City's obligation. The agreement runs through fiscal year 2014 at which time the City will assume ownership of the parking structure.

On December 16, 1999, in accordance with terms of a certain Purchase Money Note (Note) executed in 1985 and amended on July 1, 1995, between the City and Vengar Associates Limited Partnership (Vengar), Vengar paid off the Note. Because of the pay-off of the Note, the principal amount of the parking structure lease was restated at July 1, 1999, to $4,012,574 reflecting the effect of the payoff of the Note, which was being used to offset the debt service on the parking structure lease. Payment terms of the parking structure lease have been modified in such a way as to increase the amount of semi-annual debt service payments. At June 30, 2006, the outstanding balance of the Note was $2,109,546.

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Parking Structure Loan, Continued

The annual debt service requirements for the Parking Structure Loan outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 255,689	$ 533,034	$ 788,723
2008	255,689	533,034	788,723
2009	290,576	605,700	896,276
2010	290,576	605,700	896,276
2011	290,576	605,700	896,276
2012-2014	726,440	1,514,248	2,240,688
Total	$ 2,109,546	$ 4,397,416	$ 6,506,962

Certificates of Participation – 2001 Series A

Certificates of Participation in the amount of $2,925,000 were issued on December 1, 2001. The Certificates were issued to provide for: (1) the defeasance of $2,960,000 of the City of San Buenaventura 1987 Refunding Certificates of Participation (Capital Improvement Project); (2) to acquire debt service reserve surety bond for the Series A Certificates; and (3) to pay costs in connection with the execution and delivery of the Series A Certificates. The Certificates are due in annual principal installments of $145,000 to $255,000 through 2017. Interest rates range from 3.00 percent to 4.625 percent and is payable semi-annually on January 1 and July 1. Funding sources for the repayment are lease payments made by the City to the Public Facilities Financing Authority. The total amount outstanding as of June 30, 2006, was $ 2,300,000.

The annual debt service requirements for the 2001 Certificates of Participation outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 170,000	$ 96,200	$ 266,200
2008	175,000	90,250	265,250
2009	185,000	83,250	268,250
2010	190,000	75,850	265,850
2011	200,000	68,012	268,012
2012-2016	1,125,000	218,688	1,343,688
2017	255,000	11,794	266,794
Total	$ 2,300,000	$ 644,044	$ 2,944,044

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Certificates of Participation – 2001 Series C

Certificates of Participation in the amount of $16,345,000 were issued on December 1, 2001. The Certificates were issued to provide for: (1) improvements to the Ventura Community Park, the City Hall Terra Cotta Restoration Project, heating and ventilation improvements to City Hall and city-wide street median improvement programs; (2) to acquire debt service reserve surety bond for the Certificates; and (3) to pay costs in connection with the execution and delivery of the Series A Certificates. The Certificates are due in annual principal installments of $210,000 to $1,025,000 through 2030. Interest rates range from 3.00 percent to 4.725 percent and is payable semi-annually on February 1 and August 1. Funding sources for the repayment are lease payments made by the City to the Public Facilities Financing Authority. The total amount outstanding as of June 30, 2006, was $15,175,000.

The annual debt service requirements for the 2001 Series C Certificates of Participation outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 340,000	$ 737,718	$ 1,077,718
2008	350,000	725,818	1,075,818
2009	365,000	710,944	1,075,944
2010	380,000	696,344	1,076,344
2011	395,000	680,669	1,075,669
2012-2016	2,255,000	3,123,994	5,378,994
2017-2021	2,855,000	2,527,363	5,382,363
2022-2026	3,605,000	1,780,087	5,385,087
2027-2031	4,630,000	754,163	5,384,163
Total	$ 15,175,000	$ 11,737,100	$ 26,912,100

Certificates of Participation – 2002 Series B

Certificates of Participation in the amount of $19,765,000 were issued on October 3, 2002. The Certificates were issued to provide funds for: (1) the defeasance of 1993 Refunding Certificates of Participation and related city lease payment obligations; (2) to acquire debt service reserve surety bond for the Series B Certificates; and (4) to pay certain costs incurred in connection with the execution and delivery of the Series B Certificates. The Certificates are due in annual principal installments of $255,000 to $1,885,000 through 2018. Interest rates range from 3.25 percent to 5.50 percent and is payable semi-annually on January 1 and July 1. Funding sources for the repayment are lease payments made by the City to the Public Facilities Financing Authority. The total amount outstanding as of June 30, 2006, was $16,280,000.

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Certificates of Participation – 2002 Series B, Continued

The annual debt service requirements for the 2002 Series B Certificates of Participation outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 1,150,000	$ 837,681	$ 1,987,681
2008	1,205,000	785,932	1,990,932
2009	1,260,000	731,706	1,991,706
2010	1,320,000	671,856	1,991,856
2011	1,385,000	605,856	1,990,856
2012-2016	8,075,000	1,879,825	9,954,825
2017-2018	1,885,000	103,675	1,988,675
Total	$ 16,280,000	$ 5,616,531	$ 21,896,531

Certificates of Participation – 2002 Series D

Certificates of Participation in the amount of $15,930,000 were issued on December 1, 2002. The Certificates were issued to provide funds for: (1) improvements to the Buenaventura Golf Course and the Olivas Park Golf Course; (2) to acquire debt service reserve surety bond for the Certificates; (3) to fund capitalized interest; and (4) to pay certain costs incurred in connection with the execution and delivery of the Certificates. The Certificates are due in annual principal installments of $215,000 to $980,000 through 2032. Interest rates range from 1.65 percent to 5.00 percent and is payable semi-annually on February 1 and August 1. Funding sources for the repayment are lease payments made by the City to the Public Facilities Financing Authority. The total amount outstanding as of June 30, 2006, was $15,070,000.

The annual debt service requirements for the 2002 Series D Certificates of Participation outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 335,000	$ 694,404	$ 1,029,404
2008	345,000	685,359	1,030,359
2009	355,000	675,009	1,030,009
2010	365,000	663,293	1,028,293
2011	380,000	650,519	1,030,519
2012-2016	2,120,000	3,018,531	5,138,531
2017-2021	2,630,000	2,511,225	5,141,225
2022-2026	3,320,000	1,817,750	5,137,750
2027-2031	4,240,000	902,250	5,142,250
2032	980,000	49,000	1,029,000
Total	$ 15,070,000	$ 11,667,340	$ 26,737,340

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Tax Allocation Bonds – 2003

Tax Allocation Bonds in the amount of $8,000,000 were issued on June 1, 2003. The Bonds were issued to provide funds to (1) repay certain advances made by the City of San Buenaventura to the Agency; (2) fund a Reserve Account for the Bonds; and (3) pay costs of issuance of the Bonds. The Bonds are due in annual principal installments of $205,000 to $495,000 through 2028. Interest rates range from 2.00 percent to 4.25 percent and is payable semi-annually on February 1 and August 1. Funding sources for the repayment are tax revenue allocated to the Agency from the project area. The total amount outstanding as of June 30, 2006, was $7,555,000.

The annual debt service requirements for the 2003 Tax Allocation Bonds outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 245,000	$ 270,032	$ 515,032
2008	250,000	265,082	515,082
2009	255,000	259,714	514,714
2010	260,000	253,595	513,595
2011	270,000	246,464	516,464
2012-2016	1,460,000	1,101,688	2,561,688
2017-2021	1,735,000	821,126	2,556,126
2022-2026	2,110,000	435,009	2,545,009
2027-2028	970,000	41,650	1,011,650
Total	$ 7,555,000	$ 3,694,360	$ 11,249,360

California Energy Commission – 2004 Loan

On August 19, 2004, a low-interest loan was made with the California Energy Commission to install Solar Panels at the City's San Jon Yard facility to reduce energy use. The loan has an interest rate of 3.95 percent and a thirteen-year repayment schedule with 27 equal payments of $9,457 and a final payment of $27,286.

The annual Debt Service requirements for the August 19, 2004, California Energy Commission loan outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 10,764	$ 7,664	$ 18,428
2008	11,174	7,254	18,428
2009	11,639	6,789	18,428
2010	12,103	6,325	18,428
2011	12,586	5,842	18,428
2012-2016	70,847	21,291	92,138
2017-1018	67,565	6,145	73,710
Total	$ 196,678	$ 61,310	$ 257,988

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type Activities and Proprietary Funds

The summary of changes in long-term debt of business-type activities for the year ended June 30, 2006, is as follows:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006	Classification: Amounts Due Within One Year	Classification: Amounts Due in More than One Year
Business-Type Activities:						
WasteWater Revenue Refunding Bonds	$ 25,075,000	$ -	$ (625,000)	$ 24,450,000	$ 650,000	$ 23,800,000
Less unamortized :				-		
Bond premium	245,468	-	(8,464)	237,004	-	237,004
Deferral on refunding	(751,021)	-	83,447	(667,574)	-	(667,574)
WasteWater Refunding Bonds, net	24,569,447	-	(550,017)	24,019,430	650,000	23,369,430
Water Revenue Refunding Bonds	26,530,000	-	(505,000)	26,025,000	525,000	25,500,000
Less unamortized :						
Bond premium	540,969	-	(33,812)	507,157	-	507,157
Deferral on refunding	(1,047,942)	-	65,497	(982,445)	-	(982,445)
Water Revenue Refunding Bonds, net	26,023,027	-	(473,315)	25,549,712	525,000	25,024,712
Safe Drinking Water Loan	-	13,156,599	-	13,156,599	-	13,156,599
Total business-type activities	$ 50,592,474	$ 13,156,599	$ (1,023,332)	$ 62,725,741	$ 1,175,000	$ 61,550,741

Wastewater Refunding 2004 Bonds

Certificates of Participation in the amount of $25,075,000 were issued on December 16, 2004. The Certificates were issued to provide for: (1) the defeasance of $7,125,000 million of the City of San Buenaventura 1996 Wastewater Revenue Refunding Bonds; (2) finance improvements to the City's water reclamation facility upgrade; (3) fund a reserve fund for the Certificates; and (4) pay costs in connection with the execution and delivery of the Certificates. The Certificates are due in annual principal installments of $625,000 to $1,405,000 through 2034. Interest rates range from 2.50 percent to 5.00 percent and is payable semi-annually on September 1 and March 1. Funding sources for the repayment are lease payments made by the City to the Public Facilities Financing Authority. The total amount outstanding as of June 30, 2006, was $24,450,000.

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type Activities and Proprietary Funds, Continued

Wastewater Refunding 2004 Bonds, Continued

Total Wastewater Revenue Refunding Bonds outstanding as of June 30, 2006, net of unamortized bond premium were as follows:

Principal outstanding at June 30, 2006	$ 24,450,000
Add unamortized bond premium	237,004
Less unamortized deferral on refunding	(667,574)
Net Bonds outstanding at June 30, 2006	$ 24,019,430

The annual debt service requirements for the 2004 Wastewater Revenue Refunding Bonds outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 650,000	$ 1,092,750	$ 1,742,750
2008	660,000	1,076,500	1,736,500
2009	680,000	1,060,000	1,740,000
2010	695,000	1,039,600	1,734,600
2011	720,000	1,018,750	1,738,750
2012-2016	3,760,000	4,671,412	8,431,412
2017-2021	3,420,000	3,955,763	7,375,763
2022-2026	4,330,000	3,053,750	7,383,750
2027-2031	5,515,000	1,859,250	7,374,250
2032-2034	4,020,000	408,500	4,428,500
Total	$ 24,450,000	$ 19,236,275	$ 43,686,275

The following is a summary of unamortized bond premium and deferral on refunding outstanding at June 30, 2006:

	July 1, 2005	Additions	Deletions	June 30, 2006
Bond premium	$ 245,468	$ -	$ (8,464)	$ 237,004
Deferral on Refunding	(751,021)	-	83,447	(667,574)
Total	$ (505,553)	$ -	$ 74,983	$ (430,570)

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type Activities and Proprietary Funds, Continued

Water Revenue Refunding Bonds

Certificates of Participation in the amount of $27,410,000 were issued on March 1, 2004. The Certificates were issued to provide for: (1) the defeasance of $12,615,000 of the City of San Buenaventura 1993 Water Revenue Refunding Bonds; (2) finance improvements to the City's water system; (3) fund a reserve fund for the Certificates; and (4) pay costs in connection with the execution and delivery of the Certificates. The Certificates are due in annual principal installments of $505,000 to $1,610,000 through 2033. Interest rates range from 3.00 percent to 5.00 percent and is payable semi-annually on October 1 and April 1. Funding sources for the repayment are lease payments made by the City to the Public Facilities Financing Authority. The total amount outstanding as of June 30, 2006, was $26,025,000.

Total Water Revenue Refunding Bonds outstanding as of June 30, 2006, net of unamortized bond premium and deferral on refunding were as follows:

Principal outstanding at June 30, 2006	$	26,025,000
Add unamortized bond premium		507,157
Less unamortized deferral on refunding		(982,445)
Net Bonds outstanding at June 30, 2006	$	25,549,712

The annual debt service requirements for the Water Revenue Refunding Bonds outstanding at June 30, 2006, were as follows:

Year Ending June 30,	Principal	Interest	Total
2007	$ 525,000	$ 1,166,100	$ 1,691,100
2008	540,000	1,151,475	1,691,475
2009	550,000	1,136,475	1,686,475
2010	570,000	1,118,963	1,688,963
2011	590,000	1,099,375	1,689,375
2012-2016	3,280,000	5,146,088	8,426,088
2017-2021	3,995,000	4,397,862	8,392,862
2022-2026	4,975,000	3,387,325	8,362,325
2027-2031	6,395,000	1,980,125	8,375,125
2032-2034	4,605,000	352,875	4,957,875
Total	$ 26,025,000	$ 20,936,663	$ 46,961,663

8. LONG-TERM DEBT, Continued

B. Long-Term Debt of Business-Type Activities and Proprietary Funds, Continued

Water Revenue Refunding Bonds, Continued

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Bond premium	$ 540,969	$ -	$ (33,812)	$ 507,157
Deferral on refunding	(1,047,942)	-	65,497	(982,445)
Total	$ (506,973)	$ -	$ 31,685	$ (475,288)

The following is a summary of unamortized bond premium and deferral on refunding outstanding at June 30, 2006:

Safe Drinking Water Loan

The City has entered into a funding agreement with the State of California Department of Water Resources for a construction loan under the Safe Drinking Water State Revolving Fund Law of 1997. The project is still under construction and the repayment schedule is projected to start January 1, 2009. The loan has an interest rate of 2.39 percent and a 20-year repayment schedule with 40 equal payments of $631,910. The City has drawn $13,156,599 to date.

Year Ending June 30,	Principal	Interest	Total
2009	$ 392,910	$ 239,000	$ 631,910
2010	799,962	463,858	1,263,820
2011	819,195	444,625	1,263,820
2012	838,891	424,929	1,263,820
2013	859,060	404,760	1,263,820
2014-2018	4,615,226	1,703,873	6,319,099
2019-2023	5,197,369	1,121,730	6,319,099
2024-2028	5,852,940	466,159	6,319,099
2029	624,447	7,462	631,909
Total	$ 20,000,000	$ 5,276,396	$ 25,276,396

9. DEFERRED REVENUES

Deferred revenues at June 30, 2006, are reported as follows:

General Fund:		
Business license tax	$	349,751
Recreational activities		377,123
Sales tax		2,146,530
Grants		116,070
Total General Fund		2,989,474
Special Revenue Funds:		
Gas Tax: Department of Transportation		1,049,792
Law Enforcement		59,047
Public Art		8,000
Total Special Revenue Funds		1,116,839
Capital Projects Funds:		
CIP General:		
Terra Cotta		80,000
Beach Water Quality		194,768
Surfers Point		8,233
Housing & Community Development Block Grant Rehab Loans		306
Total Capital Projects Funds		283,307
Total deferred revenues	$	4,389,620

10. FUND BALANCES FOR GOVERNMENTAL FUNDS

A. Reservation and Designation of Fund Balances

Fund balances at June 30, 2006, for the governmental funds have been reserved and designated for the following purposes:

	Major Funds							
	General Fund	Gas Tax Special Revenue	Park and Recreation Special Revenue	Certificates of Participation Debt Obligation Debt Service	CIP General Capital Projects	Redevelopment Agency Capital Projects	Other Governmental Funds	Total Governmental Funds
Reserved:								
Encumbrances	$ 2,151,565	$ -	$ -	$ -	$ -	$ 211,155	$ 55,881	$ 2,418,601
Petty cash	7,470	-	-	-	-	-	-	7,470
Advances to Redevelopment Agency	14,019,085	-	-	-	-	-	-	14,019,085
Prepaid items	11,394	-	-	-	-	-	-	11,394
Inventories	530,546	-	-	-	-	-	-	530,546
Assets held for resale	-	-	-	-	-	2,110,887	390,000	2,500,887
Loans and notes receivable	1,022,446	-	-	-	-	612,350	2,322,398	3,957,194
Investment in Portobello bonds	1,095,000	-	-	-	-	-	-	1,095,000
Debt service	-	-	-	8,160,129	-	-	5,950,078	14,110,207
Total reserved	18,837,506	-	-	8,160,129	-	2,934,392	8,718,357	38,650,384
Unreserved, designated:								
Contingencies	12,000,000	-	-	-	-	-	-	12,000,000
Other*	12,763,519	5,863,226	3,976,153	-	8,591,515	-	2,117,118	33,311,531
Total unreserved, designated	24,763,519	5,863,226	3,976,153	-	8,591,515	-	2,117,118	45,311,531
Unreserved, undesignated:								
General Fund	3,965,697	-	-	-	-	-	-	3,965,697
Special revenue funds	-	9,417,973	3,157,377	-	-	-	1,396,490	13,971,840
Capital projects funds	-	-	-	-	55,421	(11,234,302)	152,196	(11,026,685)
Total fund balances	$ 47,566,722	$ 15,281,199	$ 7,133,530	$ 8,160,129	$ 8,646,936	$ (8,299,910)	$ 12,384,161	$ 90,872,767
*Other								
Police K-9	$ 26,235	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,235
Available RDA	52,395	-	-	-	-	-	-	52,395
Downtown commercial rehab	437,255	-	-	-	-	-	-	437,255
Code compliance	145,950	-	-	-	-	-	-	145,950
Storm water compliance	161,383	-	-	-	-	-	-	161,383
RDA formation	200,000	-	-	-	-	-	-	200,000
Park maintenance	235,000	-	-	-	-	-	-	235,000
Maintenance carry over	2,621,915	-	-	-	-	-	-	2,621,915
Future projects	1,133,762	-	-	-	-	-	-	1,133,762
Housing preservation	509,083	-	-	-	-	-	-	509,083
PERS	2,000,000	-	-	-	-	-	-	2,000,000
CIP carry over	5,240,541	5,863,226	3,976,153	-	8,591,515	-	2,117,118	25,788,553
Total other	$ 12,763,519	$ 5,863,226	$ 3,976,153	$ -	$ 8,591,515	$ -	$ 2,117,118	$ 33,311,531

10. FUND BALANCES FOR GOVERNMENTAL FUNDS, Continued

B. Deficit Fund Balances

For the year ended June 30, 2006, the following fund had deficit fund balances:

Capital Projects Fund:	
Redevelopment Agency	$ 8,299,910

The Redevelopment Agency Capital Projects Fund had a fund deficit of $8,299,910, which will be reduced through the payments made to the advance from the City.

11. SELF-INSURANCE ACCRUED LIABILITIES

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured for the first $500,000 in loss for each workers' compensation claim and the first $1,000,000 for each general liability claim, and up to $25,000 for each property damage claim. The City accounts for and finances its uninsured risks of loss in the Workers' Compensation Fund and Risk Management Fund. Excess insurance purchased from commercial carriers supplies excess coverage for each workers' compensation claim and up to $10,000,000 for each general liability claim. Settled claims have not exceeded this commercial coverage in any of the past seven fiscal years.

The claims liabilities in each of the self-insurance internal service funds are based on the results of actuarial studies and include amounts for claims incurred but not reported. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. General and workers' compensation liabilities are carried at an actuarially determined rate. It is the City's practice to obtain full actuarial studies biannually for general liability and workers' compensation coverage. Premiums are charged by the internal service self-insurance funds using various allocation methods that include actual costs, trends in claims experience, claim severity and claims frequency. Revenues of the internal service self-insurance funds are expended to provide adequate resources to allay program administrative costs, preventative measures and to meet liabilities as they become due. Claims and judgments are generally liquidated by the Internal Service Fund.

11. SELF-INSURANCE ACCRUED LIABILITIES, Continued

The aggregate change in the balance of claims liabilities for the internal service self-insurance funds were as follows:

	June 30, 2006	June 30, 2005
Unpaid claims, beginning of year	$ 9,668,303	$ 10,168,433
Incurred claims and changes in estimates	813,430	1,591,768
Claim payments	(2,343,087)	(2,091,898)
Unpaid claims, end of year	$ 8,138,646	$ 9,668,303
Current portion	$ 2,613,366	$ 2,626,184
Noncurrent portion	5,525,280	7,042,119
Total claims and judgements payable	$ 8,138,646	$ 9,668,303

12. PENSION PLANS

A. California Public Employees' Retirement Plan (PERS)

Plan Description - The City contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy - Active members are required by State statute to contribute 7 percent of their annual salary if a Miscellaneous member, and 15 percent if a Safety member. The City makes the required employee contributions for all Miscellaneous employees and Safety employees in the Fire, Fire Management, Police, Police Management and for the Fire Chief and Police Chief, which amounted to $3,214,552 for the year ended June 30, 2006 (Police Unit employees pay their own 9 percent). The City's employer required contributions rate for Safety employees was 34.661 percent and Miscellaneous was 9.132 percent for the fiscal year.

Annual Pension Cost - For 2005-2006, the City's annual pension cost of $8,308,724 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.25 percent to 14.4 percent for miscellaneous employees and 3.25 percent to 11.1 percent for safety employees depending on age, service, and type of employment, and (c) 2 percent per year cost-of-living adjustments.

12. PENSION PLANS, Continued

A. California Public Employees' Retirement Plan (PERS), Continued

Annual Pension Cost, Continued

Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at June 30, 2003, was 30 years for miscellaneous employees and 30 years for safety employees for prior and current service unfunded liability.

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Pension Cost (APC)	APC Contributed	Net Pension Obligation
6/30/2004	$ 2,990,877	100%	$ -
6/30/2005	6,191,114	100%	-
6/30/2006	8,308,724	100%	-

13. JOINT VENTURE TRANSACTIONS

A. South Coast Area Transit

The City is a participant in a joint venture agreement with the cities of Port Hueneme, Ojai, Oxnard, and the County of Ventura for investment in a public bus transportation system, South Coast Area Transit (SCAT). As of June 30, 2006, the City held a 36.83 percent interest in SCAT based upon the number of service miles in the City. The City's net equity in SCAT accounted for under the equity method was $3,498,416 or 40.24 percent at June 30, 2006. The City's share of SCAT's net operating loss was $715,151 for the fiscal year ended June 30, 2006, and the City's share of SCAT's capital grants was $480,872 resulting in a net decrease in equity in fiscal year 2005-2006 of $234,279. Complete separate financial statements are available from the SCAT office at 301 East Third Street, Oxnard, CA 93030.

14. COMMITMENTS AND CONTINGENCIES

A. Lawsuits in the Normal Course of Business

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

14. COMMITMENTS AND CONTINGENCIES, Continued

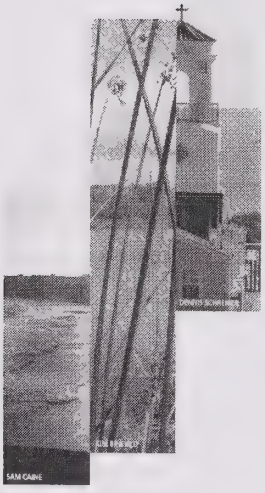
B. Agreement with Macerich Buenaventura Limited Partnership

The City entered into an agreement with Macerich Buenaventura Limited Partnership (Developer) for the development of Pacific View Mall (Mall), which is located within the City's boundaries. The Developer agreed to make improvements to the Mall in exchange for sales tax rebates. The improvements include three projects on-site, off-site, and transit facility improvements. Upon completion of the projects, the on-site and transit facility assets will be the property of the Developer. The off-site improvements are public domain assets and will be donated to the City by the Developer. The agreement provides for 80 percent sales tax revenue rebates to the Developer over a base amount calculated as average sales tax revenue before the improvements are made. Payments are to be made for twenty years, beginning February 1, 2001, or until a maximum dollar amount of $32,300,000 (for all three projects) has been dispersed, whichever comes first. Total payments made by the City as of June 30, 2006, were $4,323,355. If the twenty years has elapsed and the maximum dollar amount has not been reached, the Developer has the right to appeal for further payments for an additional two years. The City does have the option to prepay the maximum dollar amount. There is no minimum amount due and if sales tax revenues do not exceed the base level, the City's payments would be zero.

C. Federal and State Grant Programs

The City participates in several federal and state grant programs. These programs have been audited by the City's independent auditors in accordance with the provisions of the federal Single Audit Act, as amended, and applicable state requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

As of June 30, 2006, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.



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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

City of San Buenaventura
Required Supplementary Information
For the year ended June 30, 2006

1. BUDGETARY INFORMATION

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective use of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves the fiscal period July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, and controls that permit the evaluation and adjustment of the City's performance.

The City prepares a one-year budget. The annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General, special revenue and debt service funds. All annual appropriations expire at the end of the year. Capital projects funds adopt project-length plans.

The Finance and Technology Department, working with all operating departments and the City Manager, develops a preliminary budget. On or before May 1 each year, the City Manager transmits the proposed budget to the City Council. The proposed budget includes both the sources and types of funds for the proposed expenditures. The City Council conducts public hearings on the proposed budget prior to June 30. On or before July 1, the budget is adopted and enacted by the City Council.

The appropriated budget is prepared by fund, department, and division. City department heads may make transfers of appropriations within their department. All transfers between departments require approval of the City Council. The legal level of budgetary control is at the department level for the General Fund and at the fund level for all other governmental funds. Appropriation revisions made during the year ended June 30, 2006, were not significant.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities. The commitments will be re-appropriated and honored in the subsequent year.

1. BUDGETARY INFORMATION, Continued

Following are the budget comparison schedules for the General Fund and all major special revenue funds.

Budget Comparison Schedule, General Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund balance, July 1	$ 48,646,194	$ 48,646,194	$ 48,646,194	$ -
Resources (inflows):				
Taxes	56,624,992	56,624,992	56,967,585	342,593
Licenses and permits	1,145,484	1,599,234	1,780,881	181,647
Intergovernmental	6,823,100	7,937,074	8,833,110	896,036
Charges for services	6,768,981	6,883,981	8,144,073	1,260,092
Fine and forfeitures	1,749,843	1,749,843	1,802,109	52,266
Use of money and property	3,004,890	3,170,837	4,108,451	937,614
Other revenue	1,644,883	1,670,819	2,025,470	354,651
Transfers from other funds	862,418	1,667,581	612,099	(1,055,482)
Amount available for appropriations	78,624,591	81,304,361	84,273,778	2,969,417
Charges to appropriations (outflows):				
General government	7,776,618	8,109,647	6,707,261	1,402,386
Human resources	2,585,900	2,630,002	2,597,156	32,846
Administrative services	4,217,382	4,380,088	4,039,047	341,041
Community development	3,362,985	4,830,246	3,249,855	1,580,391
Community services	5,972,849	6,325,228	5,780,510	544,718
Public safety - police	26,665,612	27,232,932	26,966,469	266,463
Public safety - fire	16,167,964	16,843,221	15,816,543	1,026,678
Public works	13,922,313	15,059,686	13,579,127	1,480,559
Capital outlays	43,937	639,636	315,643	323,993
Principal retirement	64,271	64,271	64,271	-
Interest and other charges	1,451	1,451	1,451	-
Transfers to other funds	3,882,954	6,796,746	6,235,917	560,829
Total charges to appropriations	84,664,236	92,913,154	85,353,250	7,559,904
Excess of resources over (under) charges to appropriations	(6,039,645)	(11,608,793)	(1,079,472)	10,529,321
Fund balance, June 30	$ 42,606,549	$ 37,037,401	$ 47,566,722	$ 10,529,321

1. BUDGETARY INFORMATION, Continued

Budget Comparison Schedule, Gas Tax Special Revenue Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund balance, July 1	$ 14,647,410	$ 14,647,410	$ 14,647,410	$ -
Resources (inflows):				
Taxes	1,000,000	1,000,000	2,756,681	1,756,681
Intergovernmental	9,514,449	12,285,673	3,513,248	(8,772,425)
Use of money and property	885,200	885,200	996,280	111,080
Other revenue	39,000	335,105	301,010	(34,095)
Transfers from other funds	-	372,701	-	(372,701)
Amount available for appropriations	11,438,649	14,878,679	7,567,219	(7,311,460)
Charges to appropriations (outflows):				
Capital outlays	16,843,470	16,165,349	6,863,670	9,301,679
Transfers to other funds	135,000	514,527	69,760	444,767
Total charges to appropriations	16,978,470	16,679,876	6,933,430	9,746,446
Excess of resources over (under) charges to appropriations	(5,539,821)	(1,801,197)	633,789	2,434,986
Fund balance, June 30	$ 9,107,589	$ 12,846,213	$ 15,281,199	$ 2,434,986

1. BUDGETARY INFORMATION, Continued

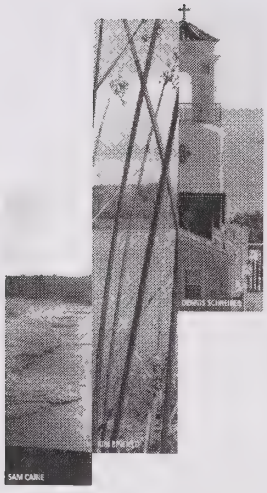
Budget Comparison Schedule, Park and Recreation Special Revenue Fund

	Budgeted Amounts		Actual	Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund balance, July 1	$ 7,475,459	$ 7,475,459	$ 7,475,459	$ -
Resources (inflows):				
Taxes	300,000	300,000	577,832	277,832
Intergovernmental	1,240,000	519,095	-	(519,095)
Use of money and property	96,000	96,000	180,693	84,693
Other revenue	4,229,000	4,350,483	471,084	(3,879,399)
Amount available for appropriations	5,865,000	5,265,578	1,229,609	(4,035,969)
Charges to appropriations (outflows):				
Capital outlays	7,308,648	9,847,934	1,400,939	8,446,995
Transfers to other funds	150,000	170,599	170,599	-
Total charges to appropriations	7,458,648	10,018,533	1,571,538	8,446,995
Excess of resources over (under) charges to appropriations	(1,593,648)	(4,752,955)	(341,929)	4,411,026
Fund balance, June 30	$ 5,881,811	$ 2,722,504	$ 7,133,530	$ 4,411,026

2. DEFINED BENEFIT PENSION PLAN

A schedule of funding progress for the most recent years available, three actuarial valuations are presented below.

	Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Underfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Underfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll
Miscellaneous	06/30/03	$ 110,479,580	$ 111,165,723	$ 686,143	99.4%	$ 24,464,258	2.8%
Employees Group	06/30/04	116,841,490	121,098,130	4,256,640	96.5%	26,092,336	16.3%
	06/30/05	125,279,173	130,494,845	5,215,672	96.0%	26,050,824	20.0%
Safety	06/30/03	$ 126,665,277	$ 157,501,879	$ 30,836,602	80.4%	$ 15,418,163	200.0%
Employees Group	06/30/04	134,260,263	170,397,477	36,137,214	78.8%	16,135,656	224.0%



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SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR GOVERNMENTAL FUNDS

Supplemental Law Enforcement Services Fund – To account for the enactment of Assembly Bill 3229 in the California State Budget to be used for front-line municipal police services.

Law Enforcement Fund – To account for revenue and costs related to special narcotics investigations and for providing police services on a contractual basis to other entities.

Public Art Fund – To account for revenue and expenditures related to the City's Public Art Program.

Maintenance Assessment Districts – To account for funds held in trust by the City as collected from property assessments to be used for maintenance for improvements such as landscape and lighting.

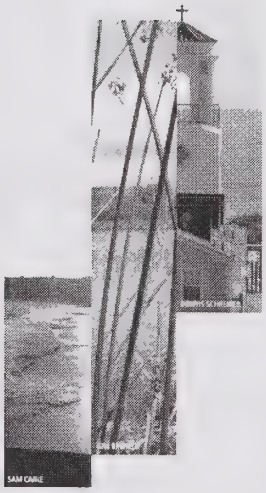
Street Lighting Fund – To account for street lighting revenue and expenditures for the City.

City of San Buenaventura Municipal Improvement Revenue Bonds Fund – To account for the accumulation of resources and payment of long-term debt principal and interest for the parking structure leaseback and Revenue Refunding Bonds.

Redevelopment Agency Debt Service Fund – To account for the accumulation of resources and payment of general long-term debt principal and interest by the Redevelopment Agency.

Housing and Community Development Block Grant Capital Projects Fund – To account for the revenue and expenditures related to Federal community development block grants.

Portobello Dredging Fund – To account for improvements and dredging of the Portobello canal.



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City of San Buenaventura
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2006

	Special Revenue			
	Supplemental Law Enforcement Services	Law Enforcement	Public Art	Maintenance Assessment
ASSETS				
Assets:				
Cash and investments	$ -	$ 101,598	$ 3,267,684	$ 105,793
Restricted cash and investments	-	-	-	-
Accounts receivable, net	-	-	-	-
Due from others	-	-	-	2,606
Due from other governments	-	78,931	8,000	-
Loans and notes receivable	-	-	-	-
Land and buildings held for resale	-	-	-	-
Total assets	$ -	$ 180,529	$ 3,275,684	$ 108,399
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ 47,999	$ 3,408
Deferred revenue	-	59,047	8,000	-
Due to other governments	-	-	-	-
Total liabilities	-	59,047	55,999	3,408
Fund Balances:				
Reserved:				
Encumbrances	-	55,881	-	-
Loans and notes receivable	-	-	-	-
Assets held for resale	-	-	-	-
Debt service	-	-	-	-
Unreserved, designated:				
Special revenue funds	-	12,500	2,104,618	-
Unreserved, undesignated				
Special revenue funds	-	53,101	1,115,067	104,991
Capital projects funds	-	-	-	-
Total fund balances	-	121,482	3,219,685	104,991
Total liabilities and fund balances	$ -	$ 180,529	$ 3,275,684	$ 108,399

Special Revenue	Debt Service		Capital Projects		
Street Lighting	Municipal Improvement Revenue Bonds	Redevelopment Agency	Housing and Community Development Block Grant	Portobello Dredging	Total Other Governmental Funds
$ 164,555	$ 4,039,162	$ -	$ 708,198	$ 1,245,821	$ 9,632,811
-	1,380,065	530,851	-	-	1,910,916
9,995	-	-	1,075	-	11,070
-	-	-	705	-	3,311
23,494	-	-	96,504	-	206,929
-	-	-	2,322,397	-	2,322,397
-	-	-	390,000	-	390,000
$ 198,044	$ 5,419,227	$ 530,851	$ 3,518,879	$ 1,245,821	$ 14,477,434
$ 74,713	$ -	$ -	$ 35,434	$ -	$ 161,554
-	-	-	306	-	67,353
-	-	-	1,864,366	-	1,864,366
74,713	-	-	1,900,106	-	2,093,273
-	-	-	-	-	55,881
-	-	-	2,322,398	-	2,322,398
-	-	-	390,000	-	390,000
-	5,419,227	530,851	-	-	5,950,078
-	-	-	-	-	2,117,118
123,331	-	-	-	-	1,396,490
-	-	-	(1,093,625)	1,245,821	152,196
123,331	5,419,227	530,851	1,618,773	1,245,821	12,384,161
$ 198,044	$ 5,419,227	$ 530,851	$ 3,518,879	$ 1,245,821	$ 14,477,434

City of San Buenaventura
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2006

	Special Revenue			
	Supplemental Law Enforcement Services	Law Enforcement	Public Art	Maintenance Assessment
REVENUES:				
Taxes	$ -	$ -	$ -	$ 137,515
Intergovernmental	153,084	538,344	-	-
Charges for services	-	-	79	-
Use of money and property	326	66	71,611	4,181
Total revenues	153,410	538,410	71,690	141,696
EXPENDITURES:				
Current:				
Public works	-	-	-	164,480
Public safety - police	362,468	231,320	-	-
Capital outlays	-	145,374	273,427	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	362,468	376,694	273,427	164,480
REVENUES OVER (UNDER) EXPENDITURES	(209,058)	161,716	(201,737)	(22,784)
OTHER FINANCING SOURCES (USES):				
Transfers in	209,058	34,611	786,244	-
Transfers out	-	-	(7,003)	(53,285)
Total other financing sources (uses)	209,058	34,611	779,241	(53,285)
Net change in fund balances	-	196,327	577,504	(76,069)
FUND BALANCES:				
Beginning of year	-	(74,845)	2,642,181	181,060
End of year	$ -	$ 121,482	$ 3,219,685	$ 104,991

Special Revenue	Debt Service		Capital Projects		
Street Lighting	Municipal Improvement Revenue Bonds	Redevelopment Agency	Housing and Community Development Block Grant	Portobello Dredging	Total Other Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 137,515
7,349	-	-	1,017,879	-	1,716,656
885,817	-	-	-	-	885,896
1,809	157,992	20,955	50,270	10,815	318,025
894,975	157,992	20,955	1,068,149	10,815	3,058,092
895,379	-	-	-	-	1,059,859
-	-	-	-	-	593,788
-	-	-	730,432	17,989	1,167,222
-	625,689	240,000	-	-	865,689
-	865,751	278,933	-	-	1,144,684
895,379	1,491,440	518,933	730,432	17,989	4,831,242
(404)	(1,333,448)	(497,978)	337,717	(7,174)	(1,773,150)
-	1,000,000	498,307	-	-	2,528,220
-	-	-	(35,268)	-	(95,556)
-	1,000,000	498,307	(35,268)	-	2,432,664
(404)	(333,448)	329	302,449	(7,174)	659,514
123,735	5,752,675	530,522	1,316,324	1,252,995	11,724,647
$ 123,331	$ 5,419,227	$ 530,851	$ 1,618,773	$ 1,245,821	$ 12,384,161

City of San Buenaventura

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Certificates of Participation Debt Obligation Debt Service Fund

For the year ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund balance, July 1	$ 15,294,345	$ 15,294,345	$ 15,294,345	$ -
Resources (inflows):				
Use of money and property	-	-	395,798	395,798
Transfers from other funds	4,382,130	4,733,702	4,347,870	(385,832)
Amount available for appropriation	4,382,130	4,733,702	4,743,668	9,966
Charges to appropriations (outflows):				
Principal retirement	1,935,000	1,935,000	1,935,000	-
Interest and fiscal charges	2,447,130	2,447,130	2,440,540	6,590
Transfers to other funds	6,473,303	11,950,467	7,502,344	4,448,123
Total charges to appropriations	10,855,433	16,332,597	11,877,884	4,454,713
Excess of resources over (under) charges to appropriations	(6,473,303)	(11,598,895)	(7,134,216)	4,464,679
Fund balance, June 30	$ 8,821,042	$ 3,695,450	$ 8,160,129	$ 4,464,679

City of San Buenaventura

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Supplemental Law Enforcement Services Special Revenue Fund

For the year ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund balance, July 1	$ -	$ -	$ -	$ -
Resources (inflows):				
Intergovernmental	154,000	154,000	153,084	(916)
Use of money and property	-	-	326	326
Transfer from other funds	262,379	262,379	209,058	(53,321)
Amount available for appropriation	416,379	416,379	362,468	(53,911)
Charges to appropriations (outflows):				
Public safety - police	416,379	416,379	362,468	53,911
Total charges to appropriations	416,379	416,379	362,468	53,911
Excess of resources over (under) charges to appropriations	-	-	-	-
Fund balance, June 30	$ -	$ -	$ -	$ -

City of San Buenaventura

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Law Enforcement Special Revenue Fund

For the year ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund balance, July 1	$ (74,845)	$ (74,845)	$ (74,845)	$ -
Resources (inflows):				
Intergovernmental	163,396	774,398	538,344	(236,054)
Use of money and property	-	96	66	(30)
Transfers from other funds	154,720	154,720	34,611	(120,109)
Amount available for appropriation	318,116	929,214	573,021	(356,193)
Charges to appropriations (outflows):				
Public safety - police	318,116	744,867	231,320	513,547
Capital outlays	-	184,337	145,374	38,963
Total charges to appropriations	318,116	929,204	376,694	552,510
Excess of resources over (under) charges to appropriations	-	10	196,327	196,317
Fund balance, June 30	$ (74,845)	$ (74,835)	$ 121,482	$ 196,317

City of San Buenaventura

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Public Art Special Revenue Fund

For the year ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund balance, July 1	$ 2,642,181	$ 2,642,181	$ 2,642,181	$ -
Resources (inflows):				
Intergovernmental	-	8,000	-	(8,000)
Charges for services	-	-	79	79
Use of money and property	-	-	71,611	71,611
Transfers from other funds	-	786,244	786,244	-
Amount available for appropriation	-	794,244	857,934	63,690
Charges to appropriations (outflows):				
Capital outlays	1,815,527	2,220,844	273,427	1,947,417
Transfers to other funds	-	7,003	7,003	-
Total charges to appropriations	1,815,527	2,227,847	280,430	1,947,417
Excess of resources over (under) charges to appropriations	(1,815,527)	(1,433,603)	577,504	2,011,107
Fund balance, June 30	$ 826,654	$ 1,208,578	$ 3,219,685	$ 2,011,107

City of San Buenaventura

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Maintenance Assessment Special Revenue Fund

For the year ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund balance, July 1	$ 181,060	$ 181,060	$ 181,060	$ -
Resources (inflows):				
Taxes	331,447	163,978	137,515	(26,463)
Use of money and property	3,628	4,018	4,181	163
Amount available for appropriation	335,075	167,996	141,696	(26,300)
Charges to appropriations (outflows):				
Public works	415,116	252,530	164,480	88,050
Transfers to other funds	67,418	54,971	53,285	1,686
Total charges to appropriations	482,534	307,501	217,765	89,736
Excess of resources over (under) charges to appropriations	(147,459)	(139,505)	(76,069)	63,436
Fund balance, June 30	$ 33,601	$ 41,555	$ 104,991	$ 63,436

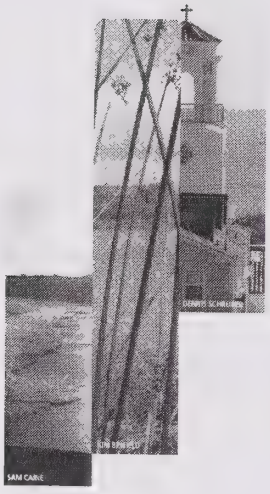
City of San Buenaventura

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Street Lighting Special Revenue Fund

For the year ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund balance, July 1	$ 123,735	$ 123,735	$ 123,735	$ -
Resources (inflows):				
Intergovernmental	7,000	7,000	7,349	349
Charges for services	881,500	881,500	885,817	4,317
Use of money and property	850	850	1,809	959
Amount available for appropriation	889,350	889,350	894,975	5,625
Charges to appropriations (outflows):				
Public works	940,000	940,000	895,379	44,621
Total charges to appropriations	940,000	940,000	895,379	44,621
Excess of resources over (under) charges to appropriations	(50,650)	(50,650)	(404)	50,246
Fund balance, June 30	$ 73,085	$ 73,085	$ 123,331	$ 50,246



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INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Information Technology Fund – To account for costs related to the replacement and maintenance of the City's computer infrastructure. Costs are recovered through a monthly user fee charged to City departments.

Fleet Maintenances Fund – To account for costs related to operation of the central garage and fleet maintenance system, which provides vehicles and equipment for all City departments. Costs are recovered through a monthly user fee charged to City departments.

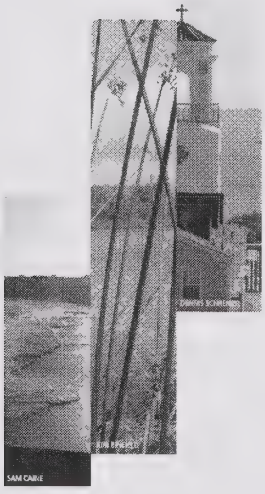
Facilities Maintenance Fund – To account for costs related to providing facility maintenance services to all City departments. A monthly fee, based on office square footage, is charged to City departments to recover these costs.

Reproduction Services Fund – To account for costs related to printing and reproduction of materials by all City departments. Costs are recovered through a monthly user fee charged to City departments using the service.

Workers' Compensation Fund – To account for costs and liabilities related to the Workers' Compensation Program. Costs are recovered through a monthly fee based on employee type charges to City departments.

Employee Benefits Fund – To account for costs and liabilities related to health, life, dental, and disability insurances, public employees' retirement system, federal and state taxes, association dues, leave time benefits, and miscellaneous deductions paid by the City on behalf of the employees. A bi-weekly employee benefit charge based on a percentage of gross payroll is charged to City departments to recover these costs.

Risk Management Fund – To account for costs of providing public liability insurance coverage to operating funds. Costs are recovered from those funds which benefit from the insurance coverage.



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City of San Buenaventura
Combining Statement of Net Assets
All Internal Service Funds
June 30, 2006

	Information Technology	Fleet Maintenance	Facilities Maintenance
ASSETS			
Current assets:			
Cash and investments	$ 2,115,377	$ 3,225,750	$ 873,217
Accounts receivable, net	-	836	25,713
Due from other funds	-	-	6,000
Due from others	-	32,275	-
Due from other governments	-	-	-
Prepaid items	-	276	-
Notes receivable	-	-	-
Total current assets	2,115,377	3,259,137	904,930
Noncurrent assets:			
Capital assets:			
Depreciable, net	56,398	6,479,179	124,801
Total assets	2,171,775	9,738,316	1,029,731
LIABILITIES			
Current liabilities:			
Accounts payable	34,207	212,559	313,542
Contracts payable	-	-	3,785
Accrued payroll liabilities	-	-	-
Claims and judgments payable	-	-	-
Compensated absences payable	-	-	-
Long term debt - due within one year	-	-	10,764
Total current liabilities	34,207	212,559	328,091
Noncurrent liabilities:			
Claims and judgments payable	-	-	-
Compensated absences payable	-	-	-
Long term debt - due in more than one year	-	-	185,914
Total noncurrent liabilities	-	-	185,914
Total liabilities	34,207	212,559	514,005
NET ASSETS			
Invested in capital assets	56,398	6,479,179	124,801
Unrestricted	2,081,170	3,046,578	390,925
Total net assets	$ 2,137,568	$ 9,525,757	$ 515,726

Reproduction Services	Workers' Compensation	Employee Fringe Benefits	Risk Management	Total
$ 156,777	$ 9,022,775	$ 7,635,328	$ 5,218,790	$ 28,248,014
700	-	108,314	-	135,563
-	-	-	-	6,000
-	5,685	63,258	11,620	112,838
-	-	-	990,880	990,880
-	-	-	-	276
-	-	325,000	-	325,000
157,477	9,028,460	8,131,900	6,221,290	29,818,571
98,362	-	5,124	19,737	6,783,601
255,839	9,028,460	8,137,024	6,241,027	36,602,172
9,897	37,497	501,543	190,282	1,299,527
-	-	-	1,412	5,197
-	-	2,421,223	-	2,421,223
-	2,403,773	-	209,593	2,613,366
-	-	482,045	-	482,045
-	-	-	-	10,764
9,897	2,441,270	3,404,811	401,287	6,832,122
-	4,635,066	-	890,214	5,525,280
-	-	3,668,424	-	3,668,424
-	-	-	-	185,914
-	4,635,066	3,668,424	890,214	9,379,618
9,897	7,076,336	7,073,235	1,291,501	16,211,740
98,362	-	5,124	19,737	6,783,601
147,580	1,952,124	1,058,665	4,929,789	13,606,831
$ 245,942	$ 1,952,124	$ 1,063,789	$ 4,949,526	$ 20,390,432

City of San Buenaventura
Combining Statement of Activities and Changes in Net Assets
All Internal Service Funds
For the year ended June 30, 2006

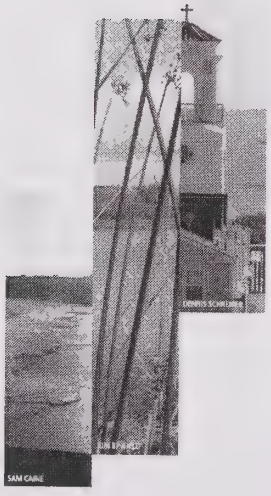
	Information Technology	Fleet Maintenance	Facilities Maintenance
OPERATING REVENUES:			
Internal service charges	$ 802,911	$ 3,439,750	$ 3,843,648
Other operating revenues	-	59,023	493,339
Total operating revenues	802,911	3,498,773	4,336,987
OPERATING EXPENSES:			
Salaries and benefits	289,543	932,368	753,186
Contractual services	174,828	60,572	893,718
Materials and supplies	60,283	1,424,411	679,924
General and administrative	148,525	170,439	1,379,097
Insurance premiums and settlements	-	-	-
Depreciation	17,336	939,159	16,334
Total operating expenses	690,515	3,526,949	3,722,259
OPERATING INCOME (LOSS)	112,396	(28,176)	614,728
NONOPERATING REVENUES (EXPENSES):			
Investment income (loss)	(14,263)	(21,783)	(12,992)
Total nonoperating revenues	(14,263)	(21,783)	(12,992)
Income before transfers	98,133	(49,959)	601,736
Transfers in	250,338	-	46,792
Transfers out	-	-	(261,290)
Change in net assets	348,471	(49,959)	387,238
NET ASSETS:			
Beginning of year	1,789,097	9,575,716	128,488
End of year	$ 2,137,568	$ 9,525,757	$ 515,726

Reproduction Services	Workers' Compensation	Employee Fringe Benefits	Risk Management	Total
$ 345,007	$ 4,635,024	$ 19,628,284	$ 2,136,454	$ 34,831,078
-	1,400	889	1,699,962	2,254,613
345,007	4,636,424	19,629,173	3,836,416	37,085,691
170,523	267,903	734,964	331,061	3,479,548
52,569	433,288	53,163	813,710	2,481,848
86,385	9,552	98	110,397	2,371,050
16,030	402,495	13,719,623	31,708	15,867,917
-	975,262	5,093,411	1,754,571	7,823,244
17,727	-	566	1,596	992,718
343,234	2,088,500	19,601,825	3,043,043	33,016,325
1,773	2,547,924	27,348	793,373	4,069,366
(1,059)	(62,067)	(51,699)	(35,464)	(199,327)
(1,059)	(62,067)	(51,699)	(35,464)	(199,327)
714	2,485,857	(24,351)	757,909	3,870,039
-	-	-	-	297,130
-	-	-	-	(261,290)
714	2,485,857	(24,351)	757,909	3,905,879
245,228	(533,733)	1,088,140	4,191,617	16,484,553
$ 245,942	$ 1,952,124	$ 1,063,789	$ 4,949,526	$ 20,390,432

City of San Buenaventura
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2006

	Information Technology	Fleet Maintenance	Facilities Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers/other funds	$ 802,911	$ 3,414,269	$ 4,044,438
Cash payments to suppliers for goods and services	(447,948)	(1,485,408)	(2,798,352)
Cash payments to employees for services	(289,543)	(932,368)	(753,186)
Insurance premiums and settlements	-	-	-
Other operating revenues	-	59,023	493,339
Net cash provided (used) by operating activities	65,420	1,055,516	986,239
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	-	-	(261,290)
Transfers from other funds	250,338	-	46,792
Net cash provided (used) by noncapital financing activities	250,338	-	(214,498)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(6,790)	(1,295,933)	(24,855)
Proceeds from the disposal of capital assets	-	-	-
Net cash (used) by capital and related financing activities	(6,790)	(1,295,933)	(24,855)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income, net	(14,263)	(21,783)	(12,992)
Net cash provided (used) by investing activities	(14,263)	(21,783)	(12,992)
Net increase (decrease) in cash and cash equivalents	294,705	(262,200)	733,894
CASH AND INVESTMENTS:			
Beginning of year	1,820,672	3,487,950	139,323
End of year	$ 2,115,377	$ 3,225,750	$ 873,217
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ 112,396	$ (28,176)	$ 614,728
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	17,336	939,159	16,334
Changes in assets and liabilities:			
Accounts receivable	-	6,144	(1,210)
Due from other funds	-	-	(6,000)
Due from others	-	(31,625)	-
Due from other governments	-	-	208,000
Prepaid items	-	(276)	-
Accounts payable	(64,312)	170,290	240,437
Contracts payable	-	-	(74,728)
Accrued payroll liabilities	-	-	-
Claims and judgments payable	-	-	-
Compensated absences payable	-	-	-
Loans payable	-	-	(11,322)
Total adjustments	(46,976)	1,083,692	371,511
Net cash provided (used) by operating activities	$ 65,420	$ 1,055,516	$ 986,239

Reproduction Services	Workers' Compensation	Employee Fringe Benefits	Risk Management	Total
$ 344,307	$ 4,629,339	$ 19,618,323	$ 1,133,954	$ 33,987,541
(147,334)	(838,903)	(13,272,894)	(924,371)	(19,915,210)
(170,523)	(267,903)	(734,964)	(331,061)	(3,479,548)
-	(2,350,792)	(4,751,079)	(1,908,698)	(9,010,569)
-	1,400	889	1,699,962	2,254,613
26,450	1,173,141	860,275	(330,214)	3,836,827
-	-	-	-	(261,290)
-	-	-	-	297,130
-	-	-	-	35,840
-	-	-	-	(1,327,578)
-	-	-	404,589	404,589
-	-	-	404,589	(922,989)
(1,059)	(62,067)	(51,699)	(35,464)	(199,327)
(1,059)	(62,067)	(51,699)	(35,464)	(199,327)
25,391	1,111,074	808,576	38,911	2,750,351
131,386	7,911,701	6,826,752	5,179,879	25,497,663
$ 156,777	$ 9,022,775	$ 7,635,328	$ 5,218,790	$ 28,248,014
$ 1,773	$ 2,547,924	$ 27,348	$ 793,373	$ 4,069,366
17,727	-	566	1,596	992,718
(700)	-	38,968	-	43,202
-	-	-	-	(6,000)
-	(5,685)	(48,929)	(11,620)	(97,859)
-	-	-	(990,880)	(782,880)
-	-	-	-	(276)
7,650	6,432	499,990	107,755	968,242
-	-	-	(76,311)	(151,039)
-	-	276,902	-	276,902
-	(1,375,530)	-	(154,127)	(1,529,657)
-	-	65,430	-	65,430
-	-	-	-	(11,322)
24,677	(1,374,783)	832,927	(1,123,587)	(232,539)
$ 26,450	$ 1,173,141	$ 860,275	$ (330,214)	$ 3,836,827



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FIDUCIARY FUNDS

FIDUCIARY FUNDS

Portobello Assessment District Fund – To account for the funds held in trust by the City as collected from property assessments to be used for payment of debt service on special assessment bonds issued to fund improvements and maintenance of the Portobello Canal.

City of San Buenaventura
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	Agency Funds Portobello Assessment District
ASSETS	
Cash and investments	$ 94,722
LIABILITIES	
Deposits held for others	$ 94,722

City of San Buenaventura
Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the year ended June 30, 2006

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
Portobello Assessment District				
Assets:				
Cash and investments	$ 95,808	$ -	$ 1,086	$ 94,722
Liabilities:				
Deposits held for others	$ 95,808	$ -	$ 1,086	$ 94,722

STATISTICAL SECTION

STATISTICAL SECTION

City of San Buenaventura
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Governmental activities:					
Invested in capital assets, net of related debt	$ 61,243,588	$ 50,801,739	$ 34,465,491	$ 25,439,081	$ 39,576,758
Restricted	37,975,503	42,284,534	54,603,313	69,157,207	64,424,511
Unrestricted	72,493,990	68,406,238	69,085,204	61,914,134	53,562,024
Total governmental activities net assets	171,713,081	161,492,511	158,154,008	156,510,422	157,563,293
Business-type activities:					
Invested in capital assets, net of related debt	111,965,178	102,241,593	42,586,428	58,294,483	59,941,904
Restricted	61,527,419	67,471,175	27,709,014	15,195,286	9,021,624
Unrestricted	33,995,113	26,305,567	113,413,435	102,739,490	101,213,751
Total business-type activities net assets	207,487,710	196,018,335	183,708,877	176,229,259	170,177,279
Primary government:					
Invested in capital assets, net of related debt	173,208,766	153,043,332	77,051,919	83,733,564	99,518,662
Restricted	99,502,922	109,755,709	82,312,327	84,352,493	73,446,135
Unrestricted	106,489,103	94,711,805	182,498,639	164,653,624	154,775,775
Total primary government net assets	$ 379,200,791	$ 357,510,846	$ 341,862,885	$ 332,739,681	$ 327,740,572

The City of Ventura implemented GASB 34 for the fiscal year ended June 30, 2002.
For comparison purposes, the City has elected to show the year beginning 2002.

City of San Buenaventura
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Expenses:					
Governmental activities:					
General government	$ 7,363,125	$ 6,328,043	$ 4,483,013	$ 2,440,653	$ 2,319,540
Human resources	1,794,494	2,432,266	1,918,203	901,052	2,100,559
Administrative services	4,214,527	4,406,547	4,299,847	5,269,505	5,375,537
Community development	5,843,104	4,195,179	4,581,043	4,596,322	6,169,629
Community services	5,914,499	7,670,919	4,324,879	5,281,398	3,892,203
Public safety - police	26,149,759	24,818,010	23,340,765	21,459,057	19,747,023
Public safety - fire	15,259,270	15,090,774	14,285,426	12,799,179	11,004,745
Public works	16,523,873	17,314,971	23,212,404	20,451,528	26,809,364
Depreciation expense	-	-	-	5,347,724	4,998,848
Interest on long term debt	4,348,870	4,142,812	4,138,041	5,780,698	4,329,074
Total governmental activities expenses	87,411,521	86,399,521	84,583,621	84,327,116	86,746,522
Business-type activities:					
Wastewater	11,348,681	11,087,744	10,230,723	11,053,245	9,649,642
Water	15,400,319	14,909,543	12,644,461	13,674,156	12,520,860
Golf course	3,379,722	2,197,409	2,817,574	849,715	1,213,525
Paramedic services	266,570	186,185	169,527	232,667	205,814
Total business-type activities expenses	30,395,292	28,380,881	25,862,285	25,809,783	23,589,841
Total primary government expenses	117,806,813	114,780,402	110,445,906	110,136,899	110,336,363
Program revenues:					
Governmental activities:					
Charges for services:					
General government	462,378	1,068,960	402,116	410,111	328,632
Human resources	144,571	132,194	127,726	124,711	117,373
Administrative services	1,114,838	966,173	1,425,317	1,414,906	949,973
Community development	911,326	585,546	822,509	672,508	402,356
Community services	2,196,637	1,703,281	1,745,879	1,835,602	1,724,189
Public safety - police	2,416,250	2,479,415	2,155,053	2,119,463	1,835,344
Public safety - fire	3,302,653	2,943,316	2,584,789	2,022,572	2,506,212
Public Works	2,449,364	2,695,192	2,933,850	3,197,619	2,836,329
Operating grants and contributions	13,773,429	12,862,868	14,185,310	13,151,737	17,755,622
Capital grants and contributions	1,445,341	2,278,540	178,520	112,223	232,977
Total governmental activities program revenues	28,216,787	27,715,485	26,561,069	25,061,452	28,689,007
Business-type activities:					
Charges for services:					
Sewer and sanitation	14,144,570	14,042,047	13,430,212	12,677,123	11,162,655
Water	17,838,573	17,642,997	16,924,727	16,103,697	15,353,505
Golf course	3,201,831	2,764,339	3,380,562	1,492,267	1,544,656
Paramedic services	450,002	321,190	192,384	193,253	184,580
Total business-type activities program revenues	35,634,976	34,770,573	33,927,885	30,466,340	28,245,396
Total primary government program revenues	63,851,763	62,486,058	60,488,954	55,527,792	56,934,403
Net revenues (expenses):					
Governmental activities:	(59,194,734)	(58,684,036)	(58,022,552)	(59,265,664)	(58,057,515)
Business-type activities:	5,239,684	6,389,692	8,065,600	4,656,557	4,655,555
Total net revenues (expenses):	(53,955,050)	(52,294,344)	(49,956,952)	(54,609,107)	(53,401,960)

City of San Buenaventura
Changes in Net Assets
Last Five Fiscal Years, Continued
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	20,216,123	18,800,820	16,732,650	15,240,502	13,814,149
Sales taxes	24,447,868	21,413,725	20,407,600	19,714,453	18,755,394
Other taxes	17,556,734	16,107,077	15,288,753	14,452,401	13,938,590
Motor vehicle license - intergovernmental unrestricted	7,697,659	7,909,188	4,770,850	5,922,778	5,728,788
Grants & contributions not restricted to specific programs	-	-	-	34,342	843,921
Investment income	2,568,014	2,330,922	1,266,955	2,931,952	4,484,683
Gain on sale of assets	914,131	28,567	142,835	19,562	202,551
Other general revenues	62,058	135,399	47,720	42,090	19,831
Transfers	(4,047,284)	(4,703,159)	1,008,775	-	-
Total govermental activities	69,415,303	62,022,539	59,666,138	58,358,080	57,787,907
Business-type activities:					
Investment income	2,182,407	1,216,607	422,793	1,393,503	2,530,652
Gain on sale of assets	-	-	-	1,920	1,669
Transfers	4,047,284	4,703,159	(1,008,775)	-	-
Total business-type activities	6,229,691	5,919,766	(585,982)	1,395,423	2,532,321
Total primary government	75,644,994	67,942,305	59,080,156	59,753,503	60,320,228
Changes in net assets					
Governmental activities:	10,220,569	3,338,503	1,643,586	(907,584)	(269,608)
Business-type activities:	11,469,375	12,309,458	7,479,618	6,051,980	7,187,876
Total primary government	$ 21,689,944	$ 15,647,961	$ 9,123,204	$ 5,144,396	$ 6,918,268

The City of Ventura implemented GASB 34 for the fiscal year ended June 30, 2002.
For comparison purposes, the City has elected to show the year beginning 2002.

City of San Buenaventura
Fund Balances of Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
General fund:					
Reserved	$ 18,837,506	$ 17,352,143	$ 17,004,738	$ 17,859,686	$ 40,574,782
Unreserved, designated	24,763,519	28,907,664	26,009,715	32,025,719	11,715,924
Unreserved, undesignated	3,965,697	2,386,387	4,085,445	174,963	644,613
Total general fund	47,566,722	48,646,194	47,099,898	50,060,368	52,935,319
All other governmental funds:					
Reserved	19,812,878	25,881,240	35,734,823	44,459,376	31,888,154
Unreserved, designated					
Reported in special revenue funds	11,956,497	15,385,351	20,801,758	22,981,747	28,854,043
Reported in capital project funds	8,591,515	6,128,690	8,643,217	9,504,999	8,043,479
Unreserved, undesignated:					
Reported in special revenue funds	13,971,840	9,416,759	7,741,802	7,751,988	1,011,279
Reported in capital project funds	(11,026,685)	(8,498,950)	(8,998,681)	(8,683,767)	(17,002,907)
Total all other governmental funds	$ 43,306,045	$ 48,313,090	$ 63,922,919	$ 76,014,343	$ 52,794,048

The City of Ventura implemented GASB 34 for the fiscal year ended June 30, 2002.
For comparison purposes, the City has elected to show the year beginning 2002.

City of San Buenaventura
Changes in Fund Balances of Governmental Funds
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Revenues:					
Taxes	$ 63,438,858	$ 59,388,852	$ 55,517,938	$ 52,312,822	$ 50,028,459
Licenses and permits	1,780,881	1,579,719	1,337,911	1,124,381	1,376,203
Intergovernmental	14,339,327	15,485,211	10,541,690	13,496,819	17,297,587
Charges for services	9,029,969	7,287,355	7,736,141	7,073,747	6,191,081
Fines and forfeitures	1,802,109	1,820,848	1,734,950	1,568,361	1,396,161
Use of money and property	6,152,912	4,127,490	3,355,993	5,065,327	7,069,728
Other revenues	3,257,395	4,844,575	3,672,874	2,733,981	2,255,820
Total revenues	99,801,451	94,534,050	83,897,497	83,375,438	85,615,039
Expenditures:					
Current:					
General government	6,707,261	5,706,403	3,964,093	2,458,220	2,310,890
Human resources	2,597,156	2,402,167	2,163,885	2,365,650	2,109,414
Administrative services	4,039,047	4,308,317	4,117,355	5,674,665	5,479,850
Community development	3,249,855	3,360,216	2,953,387	2,942,465	6,203,649
Community services	5,780,510	5,825,207	5,575,664	5,195,320	5,108,660
Public safety - police	27,560,257	26,243,467	24,352,859	21,698,793	20,926,224
Public safety - fire	15,816,543	15,828,561	14,878,097	12,913,181	11,430,213
Public works	14,638,986	13,964,871	13,205,851	12,636,440	12,172,611
Capital outlays	14,167,948	21,175,816	22,230,168	14,605,554	16,837,363
Debt service:					
Principal retirement	2,864,960	2,748,074	2,371,232	21,221,361	4,340,689
Interest and other charges	4,382,321	4,174,214	4,130,575	5,013,445	3,868,494
Total expenditures	101,804,844	105,737,313	99,943,166	106,725,094	90,788,057
Revenues over (under) expenditures	(2,003,393)	(11,203,263)	(16,045,669)	(23,349,656)	(5,173,018)
Other financing sources (uses):					
Proceeds from long-term debt	-	-	-	43,695,000	19,512,872
Transfers in	10,686,822	16,914,994	13,465,071	31,800,410	13,256,029
Transfers out	(14,769,946)	(19,775,264)	(12,471,296)	(31,800,410)	(13,256,029)
Total other financing sources (uses)	(4,083,124)	(2,860,270)	993,775	43,695,000	19,512,872
Net change in fund balances	$ (6,086,517)	$ (14,063,533)	$ (15,051,894)	$ 20,345,344	$ 14,339,854
Debt service as a percentage of noncapital expenditures	9.0%	8.9%	9.1%	39.8%	12.5%

The City of Ventura implemented GASB 34 for the fiscal year ended June 30, 2002.
For comparison purposes, the City has elected to show the year beginning 2002.

City of San Buenaventura

Assessed Value and Estimated Actual Value of Taxable Property

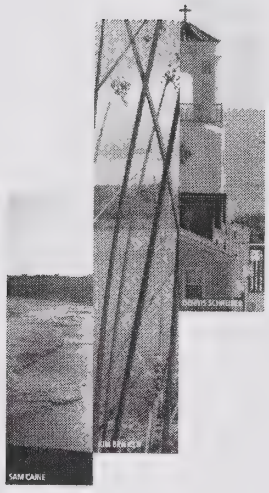
Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
1997	$ 5,320,108	$ 505,273	$ (387,658)	$ 5,437,723	$ 144,256	$ 14,788	$ (539)	$ 158,505	0.183%
1998	5,406,128	518,714	(406,683)	5,518,159	144,722	21,997	(567)	166,152	0.176%
1999	5,538,903	524,594	(423,216)	5,640,281	150,436	21,843	(581)	171,698	0.182%
2000	5,826,623	544,072	(424,106)	5,946,589	166,565	23,153	(573)	189,145	0.177%
2001	6,309,981	564,426	(447,772)	6,426,635	174,581	21,962	(566)	195,977	0.170%
2002	6,876,486	608,399	(347,737)	7,137,148	192,306	25,963	(630)	217,639	0.165%
2003	7,467,464	605,327	(351,125)	7,721,666	209,337	27,155	(630)	235,862	0.169%
2004	8,183,514	633,100	(503,806)	8,312,808	234,799	24,575	(707)	258,667	0.170%
2005	8,906,780	671,724	(515,618)	9,062,886	267,968	23,193	(795)	290,366	0.173%
2006	9,802,303	710,566	(520,849)	9,992,020	301,493	25,722	(805)	326,410	0.167%

Note: Data is stated at 100% of actual value as required under Section 135 of the Revenue and Tax Code.

Source: Ventura County Auditor-Controller's Office



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City of San Buenaventura
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per $100 of assessed value)

	2006	2005
City Direct Rates:		
City basic rate	0.0161	0.0171
Redevelopment Agency	0.0004	0.0004
Total City Direct Rate	0.0165	0.0175
Overlapping Rates:		
Ventura County Community College District	0.1246	0.1245
Ventura Unified School District	0.8449	0.8435
Oxnard Union High School District	0.0002	0.0002
Mesa Union School District	0.0022	0.0024
Oxnard School District	0.0028	0.0004
Rio School District	0.0001	0.0001
Ventura Port District	0.0000	0.0000
City of San Buenaventura 1915 Act Bonds	1.0000	1.0000
United Water Conservation District 1915 Act Bonds	0.0000	0.0000
Ventura County General Fund Obligations	0.1246	0.1245
Ventura County Pension Obligations	0.1246	0.1245
Ventura County Superintendent of Schools	0.1246	0.1245
Ventura County Library Authority	0.0000	0.0000
Ventura County Community College District Certificates of Participation	0.0000	0.1245
Ventura Unified School District Certificates of Participation	0.8449	0.8435
Oxnard Union High School District Certificates of Participation	0.0002	0.0002
Oxnard School District Certificates of Participation	0.0003	0.0004
Rio School District Certificates of Participation	0.0001	0.0001
City of San Buenaventura General Fund Obligations	1.0000	1.0000
Total Direct Rate	4.2104	4.3308

Source: California Municipal Statistics, Inc.

2004	2003	2002	2001	2000	1999	1998	1997
0.0192	0.0221	0.0197	0.0166	0.0187	0.0171	0.0169	0.0166
0.0004	0.0004	0.0004	0.0003	0.0003	0.0003	0.0002	0.0002
0.0196	0.0225	0.0200	0.0168	0.0191	0.0174	0.0171	0.0168
0.1252	0.1255	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.8528	0.8507	0.8493	0.8336	0.8366	0.8226	0.8206	0.0000
0.0002	0.0002	0.0003	0.0003	0.0004	0.0003	0.0004	0.0004
0.0027	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0005	0.0005	0.0008	0.0008	0.0010	0.0007	0.0009	0.0009
0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0000
0.0000	0.0000	0.0000	0.0000	0.9992	0.9990	0.9990	0.9989
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0336	0.0336
0.1252	0.1254	0.1252	0.1228	0.1247	0.1256	0.1280	0.1301
0.1252	0.1254	0.1252	0.1228	0.1247	0.1256	0.1280	0.1301
0.1252	0.0000	0.1252	0.1228	0.1247	0.1256	0.1280	0.1301
0.0000	0.0000	0.2037	0.1993	0.2010	0.2035	0.0000	0.2089
0.1252	0.1255	0.1253	0.1228	0.1248	0.1256	0.0000	0.0000
0.8528	0.8507	0.8493	0.8336	0.8366	0.8226	0.8206	0.8239
0.0002	0.0002	0.0003	0.0003	0.0004	0.0003	0.0004	0.0004
0.0005	0.0005	0.0008	0.0008	0.0010	0.0007	0.0009	0.0000
0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4.3554	4.2274	4.4258	4.3771	5.3946	5.3697	5.0775	4.4739

City of San Buenaventura
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2006 Taxable Assessed Value (1)	2006 Percent of Total City Taxable Assessed Value (2)	1997 Taxable Assessed Value (3)	1997 Percent of Total City Taxable Assessed Value (4)
Macerich Buenaventura, Ltd.	$ 76,592,152	0.80%	$ 66,095,863	1.18%
Montalvo Shopping Center	47,878,675	0.50%	-	0.00%
Weston Co. Ventura Apartments	47,166,063	0.49%	16,990,326	0.30%
ASN Ventura LLC	34,157,900	0.36%	-	0.00%
Archstone Communities Trust	32,769,467	0.34%	-	0.00%
Lowe's HIW, Inc.	28,802,623	0.30%	-	0.00%
Program 87A, Ltd.	28,334,335	0.30%	-	0.00%
Newport Beach North, LLC	26,565,461	0.28%	-	0.00%
Telephone & Main Associates, LLC	24,827,877	0.26%	-	0.00%
May Department Stores Co.	24,757,557	0.26%	-	0.00%
	$ 371,852,110	3.88%	$ 83,086,189	1.48%

(1) Source: California Municipal Statistics, Inc.
(2) 2005-06 Local Secured Assessed Valuation: $9,576,759,414

(3) Source: Ventura County Assessor's Office
(4) 1996-97 Local Secured Assessed Valuation: $5,597,268,924

City of San Buenaventura
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years (2)	Total Collections To-Date	
		Amount	Percent of Levy		Amount (2)	Percent of Levy
1997	$ 9,682,285	$ 9,726,572	100.46%	$ 523,560	$ 10,250,132	105.86%
1998	9,657,526	9,493,115	98.30%	527,167	10,020,282	103.76%
1999	10,388,060	10,375,496	99.88%	214,113	10,589,609	101.94%
2000	10,952,936	10,789,287	98.51%	82,460	10,871,747	99.26%
2001	11,429,609	11,226,858	98.23%	54,016	11,280,874	98.70%
2002	12,491,663	12,114,098	96.98%	38,967	12,153,065	97.29%
2003	13,607,563	13,353,034	98.13%	57,854	13,410,888	98.55%
2004	14,679,933	14,549,118	99.11%	55,629	14,604,747	99.49%
2005	16,188,791	16,103,883	99.48%	39,942	16,143,825	99.72%
2006	17,598,566	17,226,875	97.89%	46,130	17,273,005	98.15%

Source: (1) Ventura County Assessor's Office
(2) Finance and Technology Department, City of San Buenaventura

City of San Buenaventura
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities		
	Certificates of Participation	Tax Allocation Bonds	Loans	Total Governmental Activities	Wastewater Revenue Bonds	Water Revenue Bonds	Safe Drinking Water Loan
1997	$ 47,495,000	$ 140,000	$ 20,515,463	$ 68,150,463	$ 9,363,520	$ 17,030,000	$ -
1998	26,240,000	-	27,690,467	53,930,467	9,003,520	16,395,000	-
1999	25,455,000	-	29,542,632	54,997,632	8,730,596	15,730,000	-
2000	24,630,000	-	30,824,989	55,454,989	8,374,621	15,035,000	-
2001	23,760,000	-	30,740,468	54,500,468	7,998,646	14,305,000	-
2002	39,250,000	-	8,449,886	47,699,886	7,602,671	13,535,000	-
2003	54,355,000	8,000,000	7,963,812	70,318,812	7,186,696	13,085,000	-
2004	52,635,000	8,000,000	7,312,580	67,947,580	6,750,721	26,871,342	-
2005	50,760,000	7,795,000	6,852,506	65,407,506	24,569,447	26,023,027	-
2006	48,825,000	7,555,000	6,151,224	62,531,224	24,019,430	25,549,712	13,156,599

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
$ 26,393,520	$ 94,543,983	1.13%	132
25,398,520	79,328,987	0.89%	109
24,460,596	79,458,228	0.82%	108
23,409,621	78,864,610	0.74%	105
22,303,646	76,804,114	0.63%	100
21,137,671	68,837,557	0.54%	88
20,271,696	90,590,508	0.69%	114
33,622,063	101,569,643	0.72%	127
50,592,474	115,999,980	0.76%	143
62,725,741	125,256,965	0.76%	153

City of San Buenaventura
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Total Taxable Assessed Value	Percent of Assessed Value (1)	Per Capita
	Certificates of Participation	Tax Allocation Bonds	Total			
1997	$ 47,495	$ 140	$ 47,635	$ 5,596,228	0.85%	66
1998	26,240	-	26,240	5,684,311	0.46%	36
1999	25,455	-	25,455	5,811,979	0.44%	35
2000	24,630	-	24,630	6,135,734	0.40%	33
2001	23,760	-	23,760	6,622,612	0.36%	31
2002	39,250	-	39,250	7,354,787	0.53%	50
2003	54,355	8,000	62,355	7,957,528	0.78%	69
2004	52,635	8,000	60,635	8,571,475	0.71%	66
2005	50,760	7,795	58,555	9,353,252	0.63%	63
2006	48,825	7,555	56,380	10,318,430	0.55%	60

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

City of San Buenaventura
Direct and Overlapping Debt
June 30, 2006

City Assessed Valuation	$ 9,992,020,000
Redevelopment Agency Incremental Valuation	326,410,000
Total Assessed Valuation	$ 10,318,430,000

	Percentage Applicable	Outstanding Debt 6/30/06		Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:				
Ventura County Community College District	12.460%	$ 18,278,820		$ 2,277,541
Ventura Unified School District	84.494%	65,170,222		55,064,927
Oxnard Union High School District	0.016%	7,950		1
Mesa Union School District	0.221%	8,575		19
Oxnard School District	0.028%	20,898		6
Rio School District	0.007%	1,238		0
City of San Buenaventura 1915 Act Bonds	100.000%	1,110,000		1,110,000
Total Overlapping Tax and Assessment Debt		84,597,703		58,452,495
Direct and Overlapping General Fund Debt:				
Ventura County General Fund Obligations	12.457%	$ 11,246,802		$ 1,401,014
Ventura County Pension Obligations	12.457%	4,382,995		545,990
Ventura County Superintendent of Schools	12.457%	1,691,661		210,730
Ventura Unified School District Certificates of Participation	84.494%	4,220,475		3,566,048
Oxnard Union High School District Certificates of Participation	0.016%	1,716		0
Oxnard School District Certificates of Participation	0.028%	1,779		0
Rio School District Certificates of Participation	0.007%	375		0
City of San Buenaventura General Fund Obligations	100.000%	53,040,000	(1)	53,040,000
Total Direct and Overlapping General Fund Debt		74,585,803		58,763,783
Combined Total Debt		$ 159,183,506	(2)	$ 117,216,277

(1) Excludes issues to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

City of San Buenaventura
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year Ended June 30	(2) Assessed Valuation	Conversion Precentage	Adjusted Assessed Valuation	Debt Limit Percentage	Debt Limit	(1) Total Net Debt Applicable to Limit: General Obligation Bonds	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
1997	$ 5,597,268,924	25%	$ 1,399,317,231	15%	$ 209,897,585	$ -	$ 209,897,585	0%
1998	5,712,811,280	25%	1,428,202,820	15%	214,230,423	-	214,230,423	0%
1999	5,960,082,912	25%	1,490,020,728	15%	223,503,109	-	223,503,109	0%
2000	6,878,001,695	25%	1,719,500,424	15%	257,925,064	-	257,925,064	0%
2001	7,488,509,526	25%	1,872,127,382	15%	280,819,107	-	280,819,107	0%
2002	8,078,385,165	25%	2,019,596,291	15%	302,939,444	-	302,939,444	0%
2003	8,817,820,626	25%	2,204,455,157	15%	330,668,273	-	330,668,273	0%
2004	9,579,866,892	25%	2,394,966,723	15%	359,245,008	-	359,245,008	0%
2005	10,514,075,917	25%	2,628,518,979	15%	394,277,847	-	394,277,847	0%
2006	11,616,549,581	25%	2,904,137,395	15%	435,620,609	-	435,620,609	0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value.
Each parcel is assessed at 100% of market value (as of the most recent change in ownership for that parcel).
The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: (1) Finance and Technology Department, City of San Buenaventura
(2) Ventura County Tax Assessor's Office

City of San Buenaventura
Pledged-Revenue Coverage (Wastewater)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Wastewater Fund Revenue Bonds						Governmental Tax Allocation Bonds			
	Operating Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Tax Increment	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
1997	$ 10,286,217	$ 5,773,074	$ 4,513,143	$ 465,000	$ 397,399	5.23	$ 842,954	$ 130,000	$ 14,050	5.85
1998	10,507,287	5,717,795	4,789,492	360,000	517,090	5.46	903,508	140,000	7,225	6.14
1999	10,397,689	6,837,680	3,560,009	375,000	497,018	4.08	946,252	-	-	-
2000	10,863,380	6,971,060	3,892,320	390,000	486,392	4.44	1,355,666	-	-	-
2001	11,499,505	7,138,994	4,360,511	410,000	469,232	4.96	1,237,305	-	-	-
2002	11,162,654	7,884,657	3,277,997	430,000	416,553	3.87	1,229,838	-	-	-
2003	12,677,123	9,184,042	3,493,081	450,000	396,343	4.13	1,636,510	-	-	-
2004	13,430,212	8,563,847	4,866,365	470,000	408,768	5.54	1,935,314	-	173,519	11.15
2005	14,042,047	8,725,668	5,316,379	495,000	1,042,147	3.46	2,463,949	205,000	279,332	5.09
2006	14,144,570	9,882,656	4,261,914	625,000	1,108,375	2.46	2,686,766	240,000	274,882	5.22

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest or depreciation expenses.

Source: Finance and Technology Department, City of San Buenaventura

City of San Buenaventura
Pledged-Revenue Coverage (Water)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Water Fund Revenue Bonds						Governmental Tax Allocation Bonds			
	Operating Revenue	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
1997	$ 15,753,750	$ 8,470,720	$ 7,283,030	$ 450,000	$ 817,108	5.75	$ 842,954	$ 130,000	$ 14,050	5.85
1998	15,500,511	9,133,491	6,367,020	635,000	794,530	4.45	903,508	140,000	7,225	6.14
1999	15,637,448	9,337,237	6,300,211	495,000	758,305	5.03	946,252	-	-	-
2000	15,729,318	9,005,448	6,723,870	695,000	733,587	4.71	1,355,666	-	-	-
2001	16,302,818	10,102,166	6,200,652	730,000	700,782	4.33	1,237,305	-	-	-
2002	16,174,010	11,210,864	4,963,146	770,000	667,448	3.45	1,229,838	-	-	-
2003	16,494,638	11,437,328	5,057,310	450,000	628,343	4.69	1,636,510	-	-	-
2004	17,640,075	11,015,003	6,625,072	880,000	1,202,325	3.18	1,935,314	-	173,519	11.15
2005	17,642,997	13,561,877	4,081,120	880,000	1,347,666	1.83	2,463,949	205,000	279,332	5.09
2006	17,838,573	14,176,287	3,662,286	505,000	1,181,550	2.17	2,686,766	240,000	274,882	5.22

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest or depreciation expenses.

Source: Finance and Technology Department, City of San Buenaventura

City of San Buenaventura
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income	Unemployment Rate (3)
1997	716,100	$ 8,402,000	11,733	4.6%
1998	725,400	8,927,000	12,306	5.1%
1999	736,000	9,645,000	13,105	5.7%
2000	750,500	10,662,000	14,207	4.5%
2001	765,300	12,114,000	15,829	4.5%
2002	779,400	12,702,000	16,297	4.8%
2003	791,600	13,198,000	16,673	5.8%
2004	802,400	14,204,000	17,702	5.2%
2005	810,763	15,237,000	18,793	4.8%
2006	817,346	16,512,000	20,202	4.4%

Detail of estimated population, as of January 1, 2006

Incorporated Cities	
Camarillo	64,034
Fillmore	15,180
Moorpark	35,801
Ojai	8,156
Oxnard	189,990
Port Hueneme	22,388
San Buenaventura	106,710
Santa Paula	29,133
Simi Valley	122,708
Thousand Oaks	127,644
Balance of County	95,602
Total Population	817,346

(1) Source: State Department of Finance Demographics Research Unit and Ventura College History Background. The data is from the County of Ventura

(2) Source: CA Dept. of Finance, US Housing and Urban Development, and UCSB Economic Forecast Project. The data is for the County of Ventura

(3) Source: State Employment Development Department

City of San Buenaventura
Full-time City Employees by Function
Last Ten Fiscal Years

	Full-Time (FTE) Employees as of June 30									
Function	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Government	86	78	78	79	76	74	74	72	72	72
Fire	106	105	103	102	101	101	100	100	102	103
Police	179	184	182	183	193	194	189	191	188	186
Public Works	130	136	134	133	133	129	133	132	132	130
Community Development	35	34	30	30	30	26	20	22	22	23
Utilities	94	94	94	94	94	91	91	91	92	91
Community Services	30	35	34	34	34	34	31	32	33	32
Golf Course	2	2	2	2	2	2	2	2	10	10
Total	661	667	657	657	662	650	639	641	649	646

Source: City Budget Office

City of San Buenaventura
Principal Employers
Current Year and Nine Years Ago

Employer	2006 Number of Employees	2006 Percent of Total Employment (1)	1997 Number of Employees	1997 Percent of Total Employment (2)
County of Ventura	7,191	12.62%	5,100	**
Ventura Unified School District	2,340	4.11%	2,040	**
Ventura County Health Care Agency	2,100	3.68%	2,000	**
Ventura County Community College	1,877	3.29%	600	**
Community Memorial Hospital	1,725	3.03%	1,250	**
City of San Buenaventura	1,065	1.87%	752	**
Ventura County Star	430	0.75%	440	**
Buenaventura Medical Clinic	421	0.74%	-	**
The California Mushroom Farm	385	0.68%	360	**
ARC Industries	300	0.53%	-	**

(1) "Total Employment" as used above represents the total employment of all employers located within City limits.

(2) Data not available for the year 1997.

Source: 2006 UCSB Ventura County Economic Forecast

City of San Buenaventura
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Years									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Police:										
Arrests	5,400	5,314	5,483	4,750	**	**	**	**	**	**
Parking citations issued	9,690	13,478	10,624	7,480	9,196	8,395	1,712	1,791	1,939	2,406
Fire:										
Number of emergency calls	9,990	9,986	9,213	9,167	9,020	8,402	8,021	7,631	7,529	7,443
Inspections	25,083	25,440	20,209	20,518	11,699	15,797	16,199	17,518	16,418	14,486
Public works:										
Street resurfacing (lane miles)	45	109	51	94	**	**	**	**	**	**
Parks and recreation:										
Number of recreation classes	1,631	1,308	1,193	1,366	1,284	1,216	1,181	1,117	585	-
Number of facility rentals	14	14	9	11	14	19	17	12	8	10
Water:										
Total system connections	31,280	29,420	29,420	29,420	29,591	28,818	27,756	27,756	27,128	26,830
Average daily consumption (million gallons per day)	14.8	16.0	15.5	15.8	15.4	15.3	15.5	15.1	15.3	14.0
Wastewater:										
Total system connections	24,865	24,475	24,475	24,475	24,317	23,987	23,270	23,270	23,120	22,954
Average daily sewage treatment (million gallons per day)	9.4	9.3	9.4	9.1	9.1	9.5	9.4	9.0	9.5	not avail
Golf courses:										
Buenaventura golf rounds played	77,650	65,929	23,086 (1)	78,637	81,227	85,210	85,078	88,793	80,945	83,000
Olivas Park golf rounds played	-	57,656 (2)	88,902	81,602	84,383	87,799	87,071	92,565	84,660	84,500

(1) Buenaventura Golf Course was closed for renovation from May 16, 2004 to March 17, 2005.
(2) Olivas Park Golf Course was closed for renovation from October 2005 to present.

** Data not available due to system conversion.

City of San Buenaventura
Capital Assets Statistics by Function
Last Ten Fiscal Years

	Fiscal Years									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	6	6	6	6	6	6	6	6	6	6
Public works:										
Street (miles)	294	294	294	294	294	294	284	284	284	284
Streetlights	1,058	1,058	1,058	1,058	1,050	635	557	592	568	568
Traffic signals	132	132	132	132	129	129	127	125	117	117
Parks and recreation:										
Parks	33	26	26	26	26	26	26	26	26	26
Community centers	3	3	3	3	3	3	3	3	3	3
Water:										
Water mains (miles)	500	500	400	400	400	400	400	375	375	375
Maximum daily capacity (million gallons per day)	30	30	30	30	30	30	30	30	30	22
Wastewater:										
Sanitary sewers (miles)	475	475	475	475	475	475	375	375	375	375
Storm sewers (miles)	310	310	310	310	310	310	310	310	310	310
Maximum daily treatment capacity (million gallons per day)	14	14	14	14	14	14	14	14	14	14
Golf course:										
Municipal golf courses	2	2	2	2	2	2	2	2	2	2

Source: City of Ventura

City of San Buenaventura
Water Sold by Type of Customer
Last Ten Fiscal Years
(in Hundred Cubic Feet)

Fiscal Year Ended June 30	Type of Customer					Total HCF	Total Direct Rate per HCF
	Residential	Commercial	Industrial	Municipal	Other		
1997	4,520,308	1,447,631	100,260	147,823	1,001,101	7,217,123	$ 1.89
1998	4,387,274	1,540,435	120,733	134,032	987,900	7,170,374	1.83
1999	4,583,027	1,550,767	113,388	119,532	697,242	7,063,956	1.90
2000	4,666,207	1,544,704	104,360	169,038	744,138	7,228,447	1.94
2001	4,606,633	1,547,131	120,094	157,066	722,491	7,153,415	1.88
2002	4,684,036	1,575,168	104,660	152,269	673,707	7,189,840	1.99
2003	4,712,158	1,593,584	128,434	212,437	739,117	7,385,730	2.05
2004	4,757,729	1,602,611	101,379	188,047	900,914	7,550,680	2.17
2005	4,800,912	1,701,385	70,985	178,051	968,369	7,719,702	2.15
2006	4,510,956	1,508,515	63,691	201,674	797,963	7,082,799	2.40

Note:
1 HCF (hundred cubic feet) = 748 gallons

Source: Ventura Water Division

City of San Buenaventura
Wastewater Service Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Wastewater Volume Rates Per Hundred Cubic Feet (HCF)						
	Residential						(1)
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Non-Residential
1997	20.95	25.70	30.44	35.18	39.93	44.67	13.46
1998	20.95	25.70	30.44	35.18	39.93	44.67	13.46
1999	20.95	25.70	30.44	35.18	39.93	44.67	13.46
2000	20.95	25.70	30.44	35.18	39.93	44.67	13.46
2001	20.95	25.70	30.44	35.18	39.93	44.67	13.46
2002	20.95	25.70	30.44	35.18	39.93	44.67	13.46
2003	23.67	29.04	34.40	39.76	45.12	50.48	15.2
2004	24.14	29.62	35.09	40.56	46.02	51.49	17.63
2005	25.11	30.81	36.49	42.18	47.86	53.55	16.12
2006	26.49	32.50	38.50	44.5	50.49	56.5	17.01

NOTE:
1 HCF = 748 gallons
The City bills bi-monthly and by hundred cubic feet (HCF).
Rates are based on 3/4" meter, which is the standard household meter size.
The tier structure is in place to encourage wastewater conservation by customers.
(1) Commercial Group 1 (1-8)

City of San Buenaventura
Water Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Bi-Monthly Service Charge Base Rate	Water Volume Rates Per Hundred Cubic Feet (HCF)			
		Residential			
		Single Family HCF 1-16 Multiple Family HCF 1-10	Single Family HCF 17-42 Multiple Family HCF 11-24	Single Family HCF 43+ Multiple Family HCF 25+	Non-Residential
1997	$ 7.97	$ 1.29	$ 1.72	$ 2.75	$ 1.72
1998	7.97	1.29	1.72	2.75	1.72
1999	7.97	1.29	1.72	2.75	1.72
2000	7.97	1.29	1.72	2.75	1.72
2001	7.97	1.29	1.72	2.75	1.72
2002	7.97	1.29	1.72	2.75	1.72
2003	8.69	1.41	1.87	3.00	1.87
2004	8.69	1.41	1.87	3.00	1.87
2005	9.40	1.53	2.02	3.24	2.02
2006	9.82	1.60	2.11	3.39	2.11

NOTE:
1 HCF = 748 gallons
The City bills bi-monthly and by hundred cubic feet (HCF).
Rates are based on 3/4" meter, which is the standard household meter size.
The tier structure is in place to encourage water conservation by customers.

City of San Buenaventura
Wastewater Customers
Current Year and Nine Years Ago

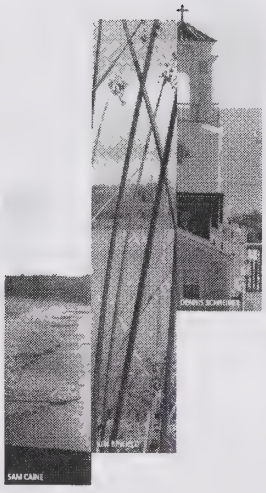
Wastewater Customer	2006 Wastewater Charges	2006 Percent of Total Wastewater Revenues	2003 (1) Wastewater Charges	2003 (1) Percent of Total Wastewater Revenues
Peppertree HOA	$ 114,586	0.81%	$ -	-
Ventura County	145,253	1.03%	129,276	1.02%
Lemon Wood LTD	76,946	0.54%	66,348	0.52%
Community Memorial Hospital	70,850	0.50%	70,452	0.56%
Paseo Del Mar	69,062	0.49%	-	-
Ventura County Medical Center	61,794	0.44%	56,772	0.45%
Ventura Marina MHP	70,364	0.50%	51,300	0.40%
Buena Ventura Gardens HOA	64,008	0.45%	51,984	0.41%
Cypress Point	60,831	0.43%	-	-
La Ventana	52,997	0.37%	-	-
Ventura Coastal Corp.	-	-	77,669	0.61%
Paseo Del Mar	-	-	50,616	0.40%
Cabrillo Co-op	-	-	47,880	0.38%
	$ 786,691	5.56%	$ 602,297	4.75%

Source: Ventura Water Division
(1) 2003 was the earliest year this data was available

City of San Buenaventura
Water Customers
Current Year and Nine Years Ago

Water Customer	2006 Water Charges	2006 Percent of Total Water Revenues	2003 (1) Water Charges	2003 (1) Percent of Total Water Revenues
Aera Energy LLC	$ 405,511	2.27%	$ -	-
Evergreen Alliance Golf	92,862	0.52%	-	-
Dairy Farmers of America	288,399	1.62%	-	-
Calif. Mushroom Farm	107,939	0.61%	-	-
Puretec Harris	71,356	0.40%	-	-
CPM	80,172	0.45%	-	-
Ventura County	148,361	0.83%	127,235	0.79%
Lemonwood HOA	71,969	0.40%	104,760	0.65%
Community Memorial Hospital	72,394	0.41%	69,340	0.43%
Harris Water Conditioning	70,125	0.39%	-	-
Ventura Coastal Corp	-	-	139,352	0.87%
Ventura Unified School Dist.	-	-	65,974	0.41%
Ventura County Medical Ctr.	-	-	55,876	0.35%
Buenaventura Gardens	-	-	82,080	0.51%
Ventura Marina MHP	-	-	81,000	0.50%
Paseo Del Mar	-	-	79,920	0.50%
Cabrillo Co-OP	-	-	75,600	0.47%
	$ 1,409,088	7.90%	$ 881,137	5.47%

Source: Ventura Water Division
(1) 2003 was the earliest year this data was available



COMPREHENSIVE
ANNUAL

FINANCIAL REPORT

City of San Buenaventura

Annual Continuing Disclosure Requirements

For the year ended June 30, 2006

San Buenaventura Public Facilities Financing Authority General Fund Certificates of Participation:

Amount Outstanding	Type
$2,300,000	2001 Refunding Certificates of Participation, Series A
$15,175,000	2001 Certificates of Participation, Series C
$16,280,000	2002 Refunding Certificates of Participation, Series B
$15,070,000	2002 Refunding Certificates of Participation, Series D

- **No significant or material events to report for the above financings.**

HISTORIC WASTEWATER SYSTEM USAGE

Fiscal Year Ended June 30	Daily Average Flow (Million Gallons per Daily)	Increase (Decrease)
2000	9.36	0.00%
2001	9.52	1.71%
2002	9.20	-3.36%
2003	9.11	-0.98%
2004	9.26	1.65%
2005	9.31	0.54%
2006	9.40	0.97%

HISTORIC WASTEWATER SYSTEM SERVICE CONNECTIONS

Fiscal Year Ended June 30	Service Connections	Increase (Decrease)
2000	23,270	0.00%
2001	23,987	3.08%
2002	24,317	1.38%
2003	24,475	0.65%
2004	24,475	0.00%
2005	24,475	0.00%
2006	24,865	1.59%

HISTORIC WASTEWATER SYSTEM SERVICE AND FLOW CHARGE REVENUES

Fiscal Year Ended June 30	Service and Flow Charge Revenues	Increase (Decrease)
2000	10,863,380	0.00%
2001	11,499,505	5.86%
2002	11,162,655	-2.93%
2003	12,677,123	13.57%
2004	13,430,212	5.94%
2005	14,042,047	4.56%
2006	14,144,570	0.73%

Source: Water Division, City of San Buenaventura, and the Comprehensive Annual Financial Report.

Top 10 Wastewater Customers for 2005-2006 (1)

Customer Name	Classification	Average HCF Per Day	% Service Charge Revenues
Ventura County	Commercial	190.4	1.03%
Peppertree HOA	Residential	115.3	0.81%
Lemon Wood LTD	Residential	96.7	0.54%
Community Memorial Hospital	Commercial	92.7	0.50%
Ventura County Medical Center	Commercial	81.0	0.44%
Ventura Marina MHP	Residential	79.2	0.50%
Buena Ventura Gardens HOA	Residential	68.8	0.45%
Paseo Del Mar	Residential	64.9	0.49%
La Ventana HOA	Residential	64.8	0.37%
Cypress Point	Residential	63.4	0.43%

(1) Customer ranking is based on volume.

No significant or material events to report for the $25,075,000, 2004 Wastewater Revenue Certificates of Participation.

City of San Buenaventura

Annual Continuing Disclosure Requirements, Continued

Water Fund - $27,410,000-2004 Water Revenue Certificates of Participation

For the year ended June 30, 2006

Top 10 Water Customers for 2005-2006 (1)

Customer Name	Classification	Average HCF Per Day	% Service Charge Revenues
Aera Energy LLC	Ground	992.9	2.27%
Evergreen Alliance Golf	Reclaimed	520.2	0.52%
Dairy Farmers of America	Commercial	222.2	1.62%
Ventura County	Commercial	190.4	0.83%
Calif. Mushroom Farm	Commercial	139.1	0.61%
CPM-Peppertree HOA	Residential	115.3	0.45%
Lemonwood HOA	Residential	96.7	0.40%
Puretec Harris	Commercial	95.2	0.40%
Community Memorial Hospital	Commercial	92.7	0.41%
Harris Water Conditioning	Commercial	90.9	0.39%

(1) Customer ranking is based on volume.

No significant or material events to report for the $27,410,000, 2004 Water Revenue Certificates of Participation.

HISTORIC WATER SUPPLY
(in Acre-feet per year)

Fiscal Year Ended June 30	Pumped Water	Purchased Water (1)	Total
1999	13,969	6,030	19,999
2000	15,228	6,263	21,491
2001	14,238	6,816	21,054
2002	13,330	6,043	19,373
2003	13,020	6,178	19,198
2004	16,030	5,964	22,003
2005	12,337	7,867	20,204
2006	11,657	6,658	18,315

(1) Reflects Casitas Municipal Water District certification letters

PROJECTED WATER SUPPLY
(in Acre-feet per year)

Fiscal Year Ended June 30	Pumped Water	Purchased Water	Total
2004	18,500	8,000	26,500
2005	18,300	8,000	26,300
2006	18,300	8,000	26,300
2007	18,300	8,000	26,300
2008	18,300	8,000	26,300
2009	20,562	8,000	28,562
2010	21,900	8,000	29,900
2011	21,900	8,000	29,900

Source: Water Division, City of San Buenaventura, and the Comprehensive Annual Financial Report.

HISTORIC WATER SYSTEM SERVICE CHARGES AND SALE REVENUES

Fiscal Year Ended June 30	Service Charges and Sales Revenues	Increase
2000	$14,894,769	0.00%
2001	$15,034,897	0.94%
2002	$15,353,505	2.12%
2003	$16,103,697	4.89%
2004	$16,924,727	5.10%
2005	$17,642,997	4.24%
2006	$17,838,573	1.11%

Source: The Comprehensive Annual Financial Report.

WATER SYSTEM
FIVE YEAR HISTORIC OPERATING RESULTS
FISCAL YEAR ENDED JUNE 30

	2006	2005	2004	2003	2002
REVENUES					
Service Charges and Sale Revenues	$ 17,838,573	$ 17,642,997	$ 16,924,727	$ 16,103,697	$ 15,353,505
Transfers In	619,089	854,927	901,249	-	-
Gain on Sale of Assets	-	-	-	1,547	1,173
Investment Income	573,009	529,375	106,757	390,941	820,503
TOTAL REVENUE	19,030,671	19,027,299	17,932,733	16,496,185	16,175,181
OPERATION AND MAINTENANCE EXPENSE	14,176,287	13,561,877	12,128,513	13,050,651	11,865,861
NET REVENUES	4,854,384	5,465,422	5,804,220	3,445,534	4,309,320
DEBT SERVICE					
1970 Bonds [1]	-	-	-	-	358,700
1993 Bonds [2]	-	-	1,078,328	1,078,343	1,077,048
2004 COP	1,686,550	2,082,325	209,340	-	-
TOTAL DEBT SERVICE	1,686,550	2,082,325	1,287,668	1,078,343	1,435,748
DEBT SERVICE COVERAGE	2.88	2.62	4.51	3.20	3.00
NET REVENUES AVAILABLE FOR SUBORDINATE DEBT SERVICE	$ 3,167,834	$ 3,383,097	$ 4,516,552	$ 2,367,191	$ 2,873,572

(1) 1970 Bonds were retired in fiscal year 2002.
(2) 1993 Bonds were refinanced into 2004 Certificates Of Participation in fiscal year 2005.

Source: The Comprehensive Annual Financial Report.

FY 2005-2006 Water Rates

Water Volume Rates
Per Hundred Cubic Feet (HCF)

Single Family Residential

Water Usage HCF	City $	County $
1-16	1.60	2.71
17-42	2.11	3.59
43+	3.39	5.76

Multiple Family Residential

Water Usage HCF	City $	County $
1-10	1.60	2.71
11-24	2.11	3.59
25+	3.39	5.76

Non-Residential

Water Usage HCF	City $	County $
Per HCF	2.11	3.59

Raw Water*, Irrigation*, & Municipal Parks

Water Usage HCF	City $	County $
Per HCF	1.11	1.11

Reclaimed Water

Water Usage HCF	City $	County $
Per HCF	0.48	0.48

Temporary Meter Charge	
Temp Mtr Deposit	300.00
Temp Mtr Set/Remove	65.00
Temp Mtr Relocate	32.00
Temp Mtr Daily Chg	2.00

1 HCF = 748 gallons

*Non Potable, Non Fully Treated Water

Bimonthly Service Charge
(Based on Meter Size)

Residential & Non-Residential

Meter Size	City $	County $
5/8 & 3/4	9.82	16.75
1	19.33	32.89
1.5	32.66	55.57
2	45.96	78.10
3	104.59	177.41
4	171.24	290.75
6	337.57	574.11
8	503.89	856.23
10	670.21	1,139.59
12	770.00	1,309.61

Fire Line Bimonthly Charge

Meter Size	City $	County $
1	4.07	6.89
2	4.07	6.89
3	12.22	20.71
4	24.52	41.64
6	67.99	115.55
8	142.91	242.70
10	245.18	416.42
Each Add'l inch	4.07	6.89
Dom/Res."U" 1"	1.24	2.10

City Reclaim Meter Charge

Meter Size	Bi-Mo $	Monthly $
5/8 & 3/4	9.82	4.91
1	19.33	9.67
1.5	32.66	16.33
2	45.96	22.98
3	104.59	52.30
4	171.24	85.62
6	337.57	168.78
8	503.89	251.94
10	670.21	335.11
12	770.00	385.00

FY 2005-2006 Wastewater Service Rates

Customer Classification

	# HCF **	Bimonthly Rate $
Single Family & Multiple Dwelling	0 - 8	26.49
	9 - 10	32.50
	11 - 12	38.50
	13 - 14	44.50
	15 - 16	50.49
	17+	56.50

**Usage established during determination period November 1 thru April 30. Charge based on lowest water usage during determination billings.

Schools***	101.69
Churches***	56.50

*** Per Single Family Dwelling Unit Equivalent. Rates will vary;See Ordinance chapter 22.220, section 020 for rate factors.

Industrial (Billed Monthly)

Flow	per million gallons	1,559.41
COD	per 1000 pounds	235.05
SS	Per 1000 pounds	530.00

Misc User Fees (As of: 1/3/2006)	
NSF Check	27.00
Open or Change Service	32.00
Post 48 Hr. Turnoff Notice	43.00
Shut off & Lock Service	43.00
Test Meter	65.00
Conduct Flow Test	426.00

Customer Classification

Commercial	# HCF	Bimonthly Rate $
Group 1:	0 - 8	$17.01
	9 + per unit	$2.13
A. Laundromats		
B. Car Wash		
C. Professional Offices		
D. Convalescent homes		
E. Wholesale Establishments		
F. Offices		
G. Retail Establishments		
H. Public Buildings		
I. Barber & Beauty Shops		
J. Gas Stations & Garages		
K. Bars w/out dining facilities		
L. Theaters		
M. Gyms		
N. Hospitals		
O. Grocery stores w/out garbage grinders		
Group 2	0 - 8	$19.35
	9 + per unit	$2.42
A. Hotels & Motels w/out dining facilities		
B. Commercial laundries		
Group 3	0 - 8	$32.49
	9 + per unit	$4.06
A. Hotels w/dining facilities		
Group 4	0 - 8	$38.76
	9 + per unit	$4.85
A. Mortuaries		
B. Grocery stores with garbage grinders		
Group 5	0 - 8	$38.68
	9 + per unit	$4.84
A. Bakeries		
B. Restaurants		
C. Multi-use shopping centers		
Group 6		$56.50
A. Plant Nurseries		

San Buenaventura Public Facilities Financing Authority
$15,930,000 2002 Certificates of Participation, Series D

	Actuals							
	2006	2005	2004	2003	2002	2001	2000	1999
Operating Revenues:								
Charges for Services:								
Greens Fees - Buena	$ 1,715,579	$ 554,290	$ 806,148	$ 490,485	$ 506,195	$ 507,726	$ 448,075	$ 373,743
Electric Carts - Buena	421,151	54,358	218,737	135,399	137,278	131,990	108,448	98,535
Coffee Shop - Buena	60,239	13,624	38,751	54,772	55,268	52,943	-	-
Pro Shop - Buena	182,654	17,753	71,549	-	-	-	-	-
Greens Fees - Olivas [3]	469,294	1,179,281	1,290,011	565,499	586,017	585,569	521,591	453,907
Driving Range - Olivas	60,594	233,536	212,288	89,216	88,472	90,147	68,492	70,797
Electric Carts - Olivas	125,559	310,371	336,533	138,553	148,825	148,799	122,663	114,164
Coffee Shop - Olivas	105,658	262,851	262,522	18,343	22,601	22,700	-	-
Pro Shop - Olivas	61,103	138,276	144,023	-	-	-	-	-
Total charges for services	3,201,831	2,764,338	3,380,562	1,492,267	1,544,656	1,539,874	1,269,269	1,111,146
Other Operating Revenues	-	-	-	-	-	-	255	150
Total Operating Revenues	3,201,831	2,764,338	3,380,562	1,492,267	1,544,656	1,539,874	1,269,524	1,111,296
Operating Expenses:								
Personal Services	189,322	143,794	177,652	167,161	172,740	152,934	142,991	129,438
Contractual Services [1]	2,820,708	1,669,598	2,202,983	236,471	591,890	239,933	276,585	329,166
Materials & Supplies	2,398	348	344	329	583	302	1,705	8,625
General & Administrative	236,925	304,033	373,100	371,379	391,471	404,961	432,609	383,942
Depreciation	130,369	79,636	63,495	74,375	56,841	58,543	58,352	53,749
Total Operating Expenses	3,379,722	2,197,409	2,817,574	849,715	1,213,525	856,673	912,242	904,920
Operating Income (Loss)	(177,891)	566,929	562,988	642,552	331,131	683,201	357,282	206,376
Non-Operating Revenues (Expenses):								
Interest Income [2]	88,854	111,149	53,461	184,467	296,288	391,375	200,488	179,798
Interest Expense	-	-	-	-	-	-	-	-
Gain on Sale of Assets	-	-	-	-	-	-	(18,097)	-
Total Non-Operating Revenues (Expenses):	88,854	111,149	53,461	184,467	296,288	391,375	182,391	179,798
Net Income (Loss)	$ (89,037)	$ 678,078	$ 616,449	$ 827,019	$ 627,419	$ 1,074,576	$ 539,673	$ 386,174

Notes:

[1] Fiscal year 2002 includes $335,836 in preliminary golf course renovation design.

[2] Interest income includes unrealized gain (loss) on investments.

[3] Olivas Park Golf Course was closed for renovation from October 2005 to present.

- No significant or material events to report for the $15,930,000 - 2002 Certificates of Participation, Series D

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